

No. 10504

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United States  
Circuit Court of Appeals

For the Ninth Circuit.

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RIDDER BROTHERS, Incorporated,  
a Corporation,

Appellant,

vs.

RAE KINGSLEY BLETHEN, F. D. HAMMONS  
and WILLIAM K. BLETHEN, as Executors  
of the Estate of Clarence B. Blethen, Deceased;  
RAE KINGSLEY BLETHEN, FRANCIS A.  
BLETHEN; WILLIAM K. BLETHEN;  
JOHN ALDEN BLETHEN; CLARANCE B.  
BLETHEN; THE BLETHEN CORPORA-  
TION, a Corporation; and SEATTLE TIMES  
COMPANY, a Corporation

Appellees.

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Transcript of Record

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Upon Appeal from the District Court of the United States  
for the Western District of Washington  
Northern Division

FILED  
SEP - 1 1943



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Upon Appeal from the District Court of the United States  
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Northern Division



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[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in *italic*; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in *italic* the two words between which the omission seems to occur.]

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In the District Court of the Western District  
of Washington, Northern Division

No. 613

RIDDER BROTHERS, Incorporated,  
a corporation

Plaintiff

vs.

RAE KINGSLEY BLETHEN, F. D. HAM-  
MONS and WILLIAM K. BLETHEN as  
executors of the Estate of Clarence B. Blethen,  
Deceased, RAE KINGSLEY BLETHEN,  
FRANCIS A. BLETHEN, WILLIAM K.  
BLETHEN, JOHN ALDEN BLETHEN,  
CLARENCE B. BLETHEN, THE  
BLETHEN CORPORATION, a corporation,  
and SEATTLE TIMES COMPANY, a cor-  
poration,

Defendants

### COMPLAINT

Comes now the plaintiff above named and for  
cause of action against the defendants and each of  
them, alleges as follows, to-wit:

#### I.

That plaintiff Ridder Brothers, Incorporated, is  
a corporation organized under the laws of the State  
of New Jersey.

#### II.

That defendant The Blethen Corporation is a cor-  
poration organized under the laws of the State of

Washington, and that the defendant Seattle Times Company is a corporation organized under the laws of the State of Delaware.

### III.

That Rae Kingsley Blethen, F. D. Hammons and William K. Blethen are the duly appointed, qualified and acting executors of the estate of Clarence B. Blethen, Deceased.

### IV.

That the matter in controversy in this action exceeds, exclusive of interest and costs, the value of \$3000.00.

### V.

That on December 30, 1929, C. B. Blethen as party of the first part, Genevieve Blethen, Rose A. Blethen, Florence B. Duffy and Marion B. Mesdag as parties of the second part and Bernard H. Ridder, Joseph E. Ridder and Victor F. Ridder, copartners doing business under the firm name and style of Ridder Brothers, as [1\*] parties of the third part, entered into a contract, a copy of which is hereto attached, marked Exhibit A, and by this reference made a part hereof as though set forth in full herein. That thereafter and on the 4th day of January, 1930, and on the 1st day of February, 1930, the parties to said contract entered into agreements modifying and amending the same, true and correct copies thereof being hereto attached, marked Exhibits B and C, and by this reference made a part hereof as though set forth in full herein.

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\*Page numbering appearing at foot of page of original certified Transcript of Record.

## VI.

That on said 30th day of December, 1929, said C. B. Blethen and said Bernard H. Ridder, Joseph E. Ridder and Victor F. Ridder, as copartners doing business under said firm name and style of Ridder Brothers, entered into a contract termed supplemental to said hereinbefore mentioned contract of December 30, 1929, the said Blethen being referred to in said contract as "Blethen" and the said Ridders being referred to therein as "Ridder Brothers", a copy of said supplemental contract, marked Exhibit D, being hereto attached and by this reference made a part hereof as though set forth in full herein. That said supplemental contract was modified and amended by agreements entered into by and between the parties hereto on the 15th day of January, 1930, the 1st day of February, 1930, and the 30th day of June, 1930. That copies of said modifying and amending agreements, marked Exhibits E, F and G respectively, are hereto attached and by this reference made a part hereof as though set forth in full herein.

## VII.

That said supplemental contract of December 30, 1929, as modified and amended as aforesaid, provides in part as follows:

"Fourth: Ridder Brothers, Incorporated, a New Jersey corporation, the majority of the capital stock of which is owned by said Ridder Brothers, shall enter into a [2] management contract with Seattle Times Company, a Delaware Corporation,

whereby said Ridder Brothers, Incorporated, Through its officers, agents and employees, will furnish to Seattle Times Company, for a period of five (5) years, such services and management in the conduct of the business of said Seattle Times Company as may be required of it by the Board of Directors of said Seattle Times Company, and the said Ridder Brothers, Incorporated, shall receive annually therefor, as management compensation, the sum of Twenty-five Thousand Dollars (\$25,000.) and no more. Such management contract shall also contain a provision that said Ridder Brothers shall not engage or become interested directly or indirectly, in any other newspaper, advertising or general publishing business, in the State of Washington, except with the consent of Blethen.”

“Fifth: Blethen shall not, for a period of twenty-one years from December 30, 1929, sell, assign, transfer, pledge or hypothecate any of the Class B common stock of such Delaware corporation owned by him so as to reduce his holdings of such Class B common stock to less than fifty-one (51) per cent of such Class B common stock at any time issued or outstanding, except that nothing herein contained shall be deemed to prevent or prohibit Blethen from transferring not less than fifty-one (51) per cent of such Class B common stock at any time issued or outstanding to a holding corporation to be formed by him, in which holding corporation he shall at all times own not less than sixty (60) per cent of the voting stock, provided such holding corporation shall not, for a period of

twenty-one (21) years from December 30, 1929, sell, assign, transfer, pledge or hypothecate any of such Class B common stock of Seattle Times Company, a Delaware corporation.”

“Eighth: Blethen agrees, immediately after the issuance of Class B common stock to him, to make a last Will and Testament, or some other instrument, in writing, which will provide in effect that his Class B common stock be held in trust by his trustees after his death for a period of twenty-one (21) years from December 30, 1929. Such last Will and Testament or other trust instrument shall also provide that Blethen’s Class B common stock shall not be sold by his trustees until the termination of such trust. Such last Will and Testament or other trust instrument shall constitute, nominate and appoint the widow of said Blethen as one of the trustees, Bernard H. Ridder, another of such trustees, and Elmer E. Todd, the third of such trustees. It shall further provide that, in the event of the death, resignation or disability of his widow at any time, the vacancy caused thereby shall not be filled but the surviving trustees shall act. In the event of the death, resignation or disability of Bernard H. Ridder at any time, one of his brothers shall act as trustee in his place and stead, and in the event of the death, resignation or disability of Elmer E. Todd at any time, one of the partners of the law firm now representing Blethen shall act as trustee in his place and stead. Such last Will and Testament or other trust instrument shall also provide that upon the termination of the trust, Bleth-



en's Class B common stock shall be distributed by the trustees among the surviving sons of said Blethen and the issue of such of them as may be deceased, in equal shares, per stirpos. Such last Will and Testament, or [3] other trust instrument, shall further provide that, in case of any difference or differences of opinion between the said trustees as to any question connected with the management of the corporation, the Class B common stock of which is to constitute the corpus of the trust, any trustee may submit such a question for arbitration, upon notice of the other trustees, to the then general manager of The Associated Press, and in any such case the decision of the said then general manager of The Associated Press shall be final and conclusive and be binding upon all of said trustees. Provided, however, that if said Blethen transfers, to a holding corporation to be formed by him, any of his Class B common stock in Seattle Times Company, a Delaware corporation (not less, in any event, than fifty-one (51) per cent of such stock at any time issued and outstanding), as permitted by the Fifth paragraph of the agreement of December 30, 1929, as herein modified, his last Will and Testament shall contain suitable provision that no less than sixty (60) per cent of the voting stock of such holding corporation shall pass to the trustees above named, to be held in trust for the same period and under the same terms and conditions hereinabove provided."

"Fifteenth: Ridder Brothers may assign this contract and all their right, title and interest there-

under to a corporation organized or to be organized by them in which they own over sixty per cent of all of the issued capital stock.”

### VIII.

That said contract and said supplemental contract contemplates the acquisition by said Seattle Times Company, the corporation to be organized as therein provided, of the newspaper at the time owned by Seattle Times, Incorporated, a corporation organized under the laws of the State of Nevada, and by said corporation published in the State of Washington; and contemplated ownership of stock in said Seattle Times Company by said C. B. Blethen and said Ridder Brothers as in said contract provided, and participation in the affairs of said company, having in mind particularly the publication of said newspaper, by said C. B. Blethen and said Ridder Brothers as in said contracts provided.

### IX.

That said Ridder Brothers and Ridder Brothers, Incorporated, have done all acts and things required of them to date under and by virtue of said contracts and agreements. [4]

### X.

That said Seattle Times Company was organized as a Delaware corporation on or about January 18, 1930; and on or about February 1, 1930, became the owner of said newspaper and has at all times since and is now the owner and publishers thereof.

## XI.

That the certificate of incorporation of said Seattle Times Company provided for several classes of stock, one thereof being designated as Class B common stock. That said certificate provided for 1,000 shares of said stock and provided that the same should have full voting rights, subject to the rights of the holders of preferred stock provided for in said certificate in the event of default in the payment of dividends on such preferred stock. That upon the completion of the incorporation of said Seattle Times Company, 550 shares of said Class B common stock was issued to said C. B. Blethen; 440 shares to said Ridder Brothers; and 10 shares to one Elmer E. Todd. That the present market value of said stock is in excess of \$1500.00 per share.

## XII.

That shortly prior to the incorporation of said Seattle Times Company, the said Ridder Brothers caused to be organized said Ridder Brothers, Incorporated, and thereafter and sometime subsequent to December 30, 1929, duly assigned by an instrument in writing said contract and said supplemental contract, as modified and amended and all their right, title and interest therein and all benefits acquired thereunder, to said Ridder Brothers, Incorporated, and caused to be transferred to said Ridder Brothers, Incorporated, their said 440 shares of said Class B common stock in said Seattle Times Company; and as a part of said assignment, said Ridder Brothers, Incorporated, agreed with



said Ridder Brothers to perform and discharge all the terms and obligations assumed, or to [5] be performed or discharged, by said Ridder Brothers under said contracts as modified and amended. That on or about September 19, 1932, said C. B. Blethen sold and transferred 55 shares of his said Class B common stock to said Ridder Brothers, Incorporated. That said Ridder Brothers, Incorporated, has at all times since and is now the owner of 495 shares of said Class B common stock.

### XIII.

That sometimes following the incorporation of said Seattle Times Company, said C. B. Blethen caused The Blethen Corporation to be organized and caused to be transferred to said The Blethen Corporation 455 shares of his said Class B common stock, and one share to his wife Rae Kingsley Blethen, retaining in his own name 39 of such shares.

### XIV.

That on or about June 28, 1930, said C. B. Blethen delivered to said Ridder Brothers copy of proposed agreement modifying and amending said supplemental contract and draft of will proposed to be made by said C. B. Blethen in compliance with said supplemental contract as amended by said proposed agreement. That on July 3, 1930, said Ridder Brothers notified said C. B. Blethen that said proposed agreement and will were satisfactory. That said proposed agreement was entered into on the 30th day of June, 1930, and is the agreement al-

leged in paragraph VI hereof. That said proposed will contained amongst others the following provisions:

“First: I give and bequeath all of my personal effects and jewelry, all of my household furniture and library, all of my automobiles, and my yacht, including all of its furnishings, to my wife, Rae Kingsley Blethen.

“Second: I give, bequeath and devise all of the residue of my estate, of every kind and nature, real, personal and mixed, of which I shall be possessed at the time of my decease, to my wife, Rae Kingsley Blethen, Elmer E. Todd, of Seattle, Washington and Bernard H. Ridder, of New York City, hereinafter called “trustees”, [6] and to their successors in said trust, In Trust, for the following uses and purposes:

“5. During the continuance of said trust the title, possession and control of all of the common capital stock of The Blethen Corporation embraced in said trust shall be vested in said trustees. Said trustees shall have no power to sell, pledge hypothecate or encumber said stock prior to the 30th day of January, 1951.

“6. Said trustees shall vote all of the Class B common capital stock of Seattle Times Company which is owned by The Blethen Corporation as a unit at all corporate meetings of Seattle Times Company except where cumulative voting is permitted. A majority of said trustees shall have the power of decision as to the way in which said Se-

attle Times Company Class B common stock shall be voted, except as provided in paragraph 7 of this article.

“7. In case of any difference of differences of opinion between said trustee as to any question connected with the management of Seattle Times Company, a majority of the Class B common stock of which company is owned by The Blethen Corporation, the majority of whose voting stock is owned by me, then any trustee may submit such question for arbitration, upon notice to the other trustees, to the then General Manager of The Associated Press, in which case the decision of the said then General Manager of The Associated Press shall be final, conclusive and binding upon said trustees and said stock shall be voted by said trustees in accordance with said decision.

“8. During the continuance of said trust title, possession, control and disposition of all of the property embraced in said trust, other than the capital stock in The Blethen Corporation, shall vest in said trustees. Said trustees are given power and authority to manage, control, sell, convey, exchange, lease, mortgage, pledge and otherwise dispose of any and all of said trust property, except the capital stock of The Blethen Corporation, on such terms and for such considerations as they may think fit, and if any of said property be sold, exchanged, collected or otherwise converted into cash or other property, said trustees are hereby given power and authority to reinvest the proceeds in securities or property of such character as they shall deem best, with power of continuance, investment,

management, control, sale, conveyance, exchange, leasing, mortgaging, pledging and other disposition. Said trustees shall not be restricted to investment or reinvestment in securities of the character authorized by the law of any state for trust investments. No persons dealing with said trustees shall be required to see to the application of any money paid or delivered to such trustees. As to the capital stock in The Blethen Corporation, after January 30, 1951, the trustees shall have the same powers of sale and disposition as are hereinabove conferred as to the other trust property. [7]

“10. The income derived from all of said trust property, after deducting all charges and expenses, including charges and compensation of said trustees, shall be paid quarterly by said trustees as follows: One-half ( $\frac{1}{2}$ ) of said income to my wife, Rae Kingsley Blethen, during her lifetime; the other one-half ( $\frac{1}{2}$ ) of said income to my children, Francis A. Blethen, Clarence B. Blethen, Alden J. Blethen, William K. Blethen and John Alden Blethen, share and share alike.

“11. If my wife, Rae Kingsley Blethen, shall die before the 30th day of January, 1951, then thereafter, during the continuance of said trust, all of said income from said trust property shall be paid quarterly by said trustees to my children, Francis A. Blethen, Clarence B. Blethen, Alden J. Blethen, share and share alike.

“12. All of the property embraced in said trust and remaining therein at the termination of said trust shall be distributed by the trustees there-

of to my children, Francis A. Blethen, Clarence B. Blethen, Alden J. Blethen, William K. Blethen and John Alden Blethen, share and share alike.

“13. If any of my said children shall die before the termination of said trust leaving surviving him either a widow or children, then the share of either income or principal that said deceased child, if living, would have received from said trust estate shall pass to and be paid or distributed to his surviving widow and/or children, share and share alike.

“14. If any of my said children shall die before the termination of said trust leaving no widow or issue, then any share of income or principal that said deceased child, if living, would have received shall pass to and be paid or distributed to his surviving brothers, share and share alike.

\* \* \* \* \*

“Third: 1. I hereby appoint my wife, Rae Kingsley Blethen, Elmer E. Todd, of Seattle, Washington, and Bernard H. Ridder, of New York City, executors of this my Last Will and Testament and I direct that no bond be required of them as such executors; Provided, that if, for any reason, my wife, Rae Kingsley Blethen, does not qualify as executrix or shall cease to be such executrix, then the vacancy created thereby shall not be filled: Provided, further, that any vacancy in the executorship to which Elmer E. Todd is appointed shall be filled by the appointment of The Pacific National Bank of Seattle, Washington: and Provided further, that any vacancy in the executorship to which Ber-



nard H. Ridder is appointed shall be filled, first, by the appointment of his brother, Joseph E. Ridder, of New York City, and, second, by the appointment of his brother, Victor F Ridder, of New York City.

“2. I direct that during the administration of [8] my estate said executors shall vote the Class B common capital stock of Seattle Times Company owned by The Blethen Corporation as a unit at all corporate meetings, except where cumulative voting is permitted, and that a majority of my said executors shall have the power of decision as to the way in which said stock shall be voted, except as provided in paragraph 3 of this Third article.

“3. In case of any difference or differences of opinion between said executors as to any question connected with the management of Seattle Times Company, a majority of the Class B common stock of which company is owned by The Blethen Corporation, the voting control of which latter company will be in me at the time of my death, then any executor may submit such question for arbitration, upon notice to the other executors, to the then General Manager of The Associated Press, in which case the decision of said then General Manager of The Associated Press shall be final, conclusive and binding upon said executors and said executors shall vote said stock in accordance with such decision.”

## XV.

That said C. B. Blethen died on the 30th day of October, 1941, and owned at the time of his death

39 shares of said Class B common stock of said Seattle Times Company and in excess of 60% of the voting stock of said The Blethen Corporation which in turn then owned 455 shares of said Class B common stock of said Seattle Times Company. That he left surviving him four sons, Francis A. Blethen, William K. Blethen, John Alden Blethen and Clarence B. Blethen, and that all four sons are living at this time. That one son, said Alden J. Blethen, predeceased said C. B. Blethen without leaving any widow or issue surviving him.

## XVI.

That following the death of said C. B. Blethen there was filed in Superior Court of the State of Washington for King County a will which had been made by said C. B. Blethen on the 4th day of December, 1940; that thereafter said will was proved and allowed by said court, and said Rae Kingsley Blethen, F. D. Hammons and William K. Blethen were appointed executors under said will and at all times since have been and are now the qualified [9] and acting executors of said estate. That said executors now have possession of said 39 shares of said Seattle Times Company and possession of all of the voting stock that said C. B. Blethen owned at the time of his death in said The Blethen Corporation, and presume to have full power to vote all of the said stock at stockholders' meeting of said corporation.

## XVII.

That neither said Ridders nor any thereof nor said Ridder Brothers, Incorporated, knew of said will until after the same had been filed for probate; that they assumed at all times until the filing of said will that said C. B. Blethen's will was as called for by the contracts and agreements hereinbefore referred to and as set forth in the copy of the will furnished to them on or about said 28th day of June, 1930, except for the substitution of Joseph E. Ridder for Bernard H. Ridder as one of the trustees which had been agreed upon by and between said C. B. Blethen and said Ridders.

## XVIII.

That said will of said Blethen filed and allowed to probate as aforesaid provided in part as follows:

“Article First: I give and bequeath all of the Common Capital Stock of The Blethen Corporation and all of the Class A, Class B and Preferred Capital Stock of the Seattle Times Company of which I may be possessed at the time of my death, to my wife, Rae Kingsley Blethen, Elmer E. Todd, of Seattle, Washington, and Joseph E. Ridder of New York City, hereinafter called ‘Trusteex’ and to their successors in said trust, in trust for the following uses and purposes:

“(1) Said trust shall continue and terminate upon the death of my wife, Rae Kingsley Blethen, or upon the 30th day of January, 1941, whichever is later.



“(9) Said Trustees shall vote as a unit all of the Capital Stock of Seattle Times Company then having voting powers which is owned by The Blethen Corporation and/ or by said Trustees at all corporate meetings of Seattle Times Company. A majority of said Trustees shall have [10] the power of decision as to the way in which the Seattle Times Company Capital Stock then having voting powers and held by the Trustees shall be voted, except as provided in paragraph (10) of this Article, and a majority of said Trustees shall have the power of decision on all questions pertaining to the management of said trust estate, except as provided in paragraph (10) of this Article.

“(10) In case of any difference or differences of opinion between said Trustees, arising during the period prior to the 30th day of January, 1951, as to any question connected with the management of Seattle Times Company, then any Trustee may submit such question for arbitration, upon notice to the other Trustees, to the then General Manager of The Associated Press, in which case the decision of the then General Manager of The Associated Press shall be final, conclusive and binding upon said Trustees, and the voting stock of the Seattle Times Company then owned by said Trustees and/or by The Blethen Corporation shall be voted by said Trustees in accordance with said decision.

(11) The income derived from all of said trust property, after deducting the charges and expenses, including the charges and compensation of said

Trustees, shall be distributed, perferably monthly, by my said Trustees as follows:

One-half of said income to my wife, Rae Kingsley Blethen; one-sixth of said income to my son, Francis A. Blethen; one-sixth of said income to my son William K. Blethen; and one-sixth of said income to my son John Alden Blethen;

provided that if any of my sons have not yet reached the age of thirty (30) years at the time the distribution of any income is made, said Trustees may at their absolute discretion withhold part or all of the income which might be distributed to said son under the age of thirty (30) years, and said income so withheld shall be placed in a separate fund and thereafter may be distributed by said Trustees in their discretion to the son from whom it has been withheld at any time before he reaches the age of thirty (30) years, but upon his reaching the age of thirty (30) years any undistributed income remaining in said special fund shall be distributed to said son by said Trustees.

“(12) In case the death of my wife, Rae Kingsley Blethen, before the 30th day of January, 1951, the Trustees shall thereafter distribute all of the income from the trust as follows:

One-third of said income to my son Francis A. Blethen; one-third of said income to my son William K. Blethen; and one-third of said income to my son John Alden Blethen.

\* \* \* \* \*

“(14) All of the property embraced in said trust and remaining therein at the termination of

said [11] trust shall be distributed by the Trustees thereof to my sons, as follows:

One-third of said property to my son Francis A. Blethen; one-third of said property to my son William K. Blethen; and one-third of said property to my son John Alden Blethen.

“(15) If any of my said sons, Francis A. Blethen, William K. Blethen and John Alden Blethen, shall die before the termination of said trust leaving surviving him either a widow or issue, then the share of either income or principal that said deceased child, if living, would have received from said trust estate, shall pass to and be paid or distributed to his surviving widow and/or issue, if any, share and share alike. If at the termination of said trust none of my said sons shall be living, then I direct that an equal share of the trust property be set aside with respect to each of my said sons having at that time a widow and/or issue him surviving, and each such share shall be distributed to such surviving widow and/or issue, share and share alike.

“(16) If any of my said sons, Francis A. Blethen, William K. Blethen and John Alden Blethen, shall die before the termination of said trust leaving no widow or issue, then any share of the income or principal which said deceased child, if living, would have received upon such termination, shall be paid and distributed by the Trustees to the survivor or survivors of my said three sons, share and share alike.

“Article Fourth: (1) I hereby appoint my wife, Rae Kingsley Blethen, F. D. Hammons of Seattle, Washington, and my son William K. Blethen of Seattle, Washington, Executors of this My Last Will and Testament; Provided, that if for any reason my wife, Rae Kingsley Blethen, does not qualify as Executrix or shall cease to act as such Executrix, then the vacancy created thereby shall not be filled; Provided Further, that any similar vacancy in the executorship to which F. D. Hammons is appointed shall be filled by Dietrich Schmitz of Seattle, Washington; Provided Further, that any similar vacancy in the executorship to which William K. Blethen is appointed shall be filled by his brother, John Alden Blethen of Seattle, Washington. I direct that no bond be required of any of my executors.

“(2) I direct that during the administration of my said estate, my executors shall vote the voting stock of the Seattle Times Company owned by The Blethen Corporation and/or by my said Executors as a unit and that a majority of my said Executors shall have the power of decision as to the way in which said stock shall be voted, and a majority of my said Executors shall have the power of decision on all other questions pertaining to the administration of my said estate.

“(3) My executors, until distribution, owning and holding all my stock in The Blethen Corporation, [12] shall have and exercise the uncontrolled power and authority to vote said stock and to act, either as stockholders or directors of said corporation, to pledge or mortgage the securities, proper-

ties and moneys owned by said corporation, and to borrow moneys in its behalf, and to transfer by way of gift or otherwise to my estate any assets or moneys of said corporation, to such extent as in their judgment and discretion is, from time to time, necessary or proper or advisable to furnish my estate with adequate funds to carry out my Will, including the payment of federal estate and succession taxes and state inheritance taxes and expenses of administration, and all obligations of and charges against my estate. In addition to all the foregoing powers, my said Executors shall have the uncontrolled power and authority to guarantee or assume any and all obligations or indebtedness of The Blethen Corporation, and to in any manner reorganize, liquidate or dissolve, in whole or in part, The Blethen Corporation, and to distribute in whole or in part, its corporate assets to themselves as Executors and to any other stockholders of said corporation; provided that if The Blethen Corporation is liquidated or dissolved by my Executors as above authorized, then my said Executors may satisfy the legacy of Article First of my Will, as respects stock of The Blethen Corporation, by distributing to my Trustees therein named the property coming into the hands of my said Executors upon the liquidation of The Blethen Corporation and remaining after the payment of all obligations and charges against my estate, including expenses of administration; provided, however, that my Executors shall not, prior to the 30th day of January, 1951, sell, pledge, hypothecate or encumber any of the Class B Common Stock of Seattle



Times Company, without the consent of Ridder Brothers, Incorporated.”

### XIX.

That said last will and testament of C. B. Blethen, Deceased, as hereinabove alleged and set forth, breached the requirements of the contracts and agreements made and entered into between the parties as hereinabove set forth in at least two respects, to-wit: (1) In that the right to vote the said 39 shares of said Class B common stock in said Seattle Times Company, and the right to vote all of the shares of the voting common stock of The Blethen Corporation owned by the said C. B. Blethen at the time of his death is by the terms and provisions of the said last will and testament, vested in the executors of the estate during the period of administration rather than in the said trustees; (2) In that said last will and testament provides that upon the termination [13] of the trust all of the property remaining therein shall be distributed to Francis A. Blethen, William H. Blethen and John Alden Blethen, surviving sons of the said C. B. Blethen, to the exclusion of Clarence B. Blethen, who was also a surviving son of the said C. B. Blethen.

### XX.

That at all times since the date of death of the said C. B. Blethen, Rae Kingsley Blethen, Elmer E. Todd and Joseph E. Ridder as Trustees, have been and are now entitled to vote the said 39 shares of the said Class B common stock of the said Se-

attle Times Company and the said voting common stock of The Blethen Corporation owned by the said C. B. Blethen at the time of his death, but that they have not done so nor have they made any effort to do so save and excepting said Joseph E. Ridder. That plaintiff has heretofore demanded of the said Rae Kingsley Blethen, Elmer E. Todd and Joseph E. Ridder, Trustees, that they as such trustees carry out whatever steps might be necessary to enable them to vote said stock and to participate in the management of the Seattle Times Company, pursuant to and as provided for in the contracts and agreements hereinbefore referred to. That said trustees have failed, refused and neglected and now fail, refuse and neglect to do so, save and excepting said Joseph E. Ridder. That plaintiff has no plain, speedy or adequate remedy at law and consequently is compelled to seek relief through this action in equity.

## XXI.

That on the 20th day of January, 1942, the annual meeting of the stockholders of said Seattle Times Company was held in the City of Seattle in the State of Washington at which all of the 1000 shares of said Class B common stock were purportedly represented. That said Ridder Brothers and said Ridder Brothers, Incorporated, owners and holders of 495 shares of said Class B [14] Common stock attended said meeting and voted said stock.

That the defendant executors, Rae Kingsley Blethen, Elmer E. Todd and The Blethen Corporation presumed to represent 505 shares of the said Class

B Common stock and by voting or attempting to vote the same, controlled the said meeting. That included in said 505 shares were 494 shares that should have been voted by Rae Kingsley Blethen, Elmer E. Todd and Joseph E. Ridder as trustees, acting personally and through The Blethen Corporation.

That at said meeting, four directors of the Seattle Times Company, constituting a majority of the Board of Directors, were purportedly elected by the cumulative votes of the defendant executors, Rae Kingsley Blethen, Elmer E. Todd and The Blethen Corporation, which directors have ever since been and now are acting as duly elected and qualified directors of said corporation. That said directors have at all times been and now are under the control of the defendant executors, The Blethen Corporation, Elmer E. Todd and Rae Kingsley Blethen.

That on the 20th day of January, 1942, and immediately following the adjournment of said stockholders' meeting, the Board of Directors of said company met. That at said meeting differences of opinion developed as to the management of said corporation and of the said newspaper being published by it. Said defendant executors, The Blethen Corporation, Elmer E. Todd and Rae Kingsley Blethen, were of the opinion that Elmer E. Todd should be the president of said company and the publisher of said newspaper although Elmer E. Todd was without experience as a publisher of a newspaper. That said Ridder Brothers and said Ridder Brothers Incorporated, acting through the directors favorable to them, but constituting a mi-



nority of the Board of Directors, attempted to bring about the election of Joseph E. Ridder as said president and said publisher. That the said Joseph E. Ridder is experienced and able in the newspaper publishing business, and that said Ridder Brothers and Ridder Brothers Incorporated were of the opinion that Joseph E. Ridder should be the president of said [15] company and the publisher of said newspaper. That by virtue of the fact that the Board of Directors was controlled as aforesaid, Ridder Brothers and Ridder Brothers Incorporated were unable to bring about such election, and the Board of Directors purported to elect the said Elmer E. Todd as said president and said publisher, and he has since been and is now acting as said president and said publisher.

That since the meetings of said stockholders and said directors on said 20th day of January, 1942, other differences have developed as between the stockholders aforesaid and said Ridder Brothers, particularly said Joseph E. Ridder, and said Ridder Brothers, Incorporated, as to the management of said Seattle Times Company and said newspaper. That all these differences have been settled in harmony with the views of the stockholders aforesaid and contrary to the views of said Ridder Brothers, and particularly said Joseph E. Ridder, and said Ridder Brothers, Incorporated.

## XXII.

That the estate of said C. B. Blethen is now in probate proceedings and it is alleged that it will be

in such proceedings for at least a year; and that during all of said time said executors will presume to have full control over said Class B Common stock of said Seattle Times Company and of said voting stock of said The Blethen Corporation with full power to vote said stock at meetings of stockholders.

Wherefore, Plaintiff prays:

1. For the judgment and decree of the Court that said Rae Kingsley Blethen, F. D. Hammons and William K. Blethen as executors under said will of said C. B. Blethen forthwith cause to be transferred to said Rae Kingsley Blethen, Elmer E. Todd and Joseph E. Ridder as trustees under the last will and testament of [16] C. B. Blethen, deceased, thirty-nine shares of the Class B common stock of Seattle Times Company, a Delaware corporation, and all of the shares of the voting common stock of The Blethen Corporation, a Washington corporation, in the possession of and held by them as said executors under said last will and testament; and that said executors forthwith surrender the certificate or certificates in their possession, evidencing said thirty-nine shares of said Class B common stock of said Seattle Times Company, and forthwith surrender the certificate or certificates in their possession evidencing said voting common stock to said The Blethen Corporation, with instructions to the officers of said Seattle Times Company to issue a new certificate evidencing said thirty-nine shares of said Class B common stock to said Rae Kingsley Blethen, Elmer E. Todd and Joseph

E. Ridder as said trustees, and with instructions to the officers of the Blethen Corporation to issue a new certificate evidencing said shares of said voting common stock to said Rae Kingsley Blethen, Elmer E. Todd and Joseph E. Ridder as said trustees;

2. For the judgment and decree of the Court in the event of a denial of the prayer of relief as set forth in paragraph 1, that said executors are holding said 39 shares of said Class B common stock in said Seattle Times Company and said shares of said voting common stock in said The Blethen Corporation in trust for said Ray Kingsley Blethen, Elmer E. Todd and Joseph E. Ridder as said trustees for the performance of said supplemental contract of December 30, 1929 as amended; and that said executors so long as they have control of said stock, vote the same as directed by said trustees; and that, in case of any difference or differences of opinion between the said trustees as to any question connected with the management of said Seattle Times Company, they submit upon request of any of said trustees said difference or [17] differences to the General Manager of the Associated Press for final decision as provided in said supplemental contract as amended.

3. For the judgment and decree of the court that said Rae Kingsley Blethen, F. D. Hammons and William K. Blethen as said executors and the said The Blethen Corporation are holding said thirty-nine shares and said 455 shares of said Class B common stock in said Seattle Times Company re-

spectively, and that said Rae Kingsley Blethen, F. D. Hammons and William K. Blethen as said executors are holding said shares of said voting common stock in said The Blethen Corporation, in trust, for the benefit of Rae Kingsley Blethen, William K. Blethen, John Alden Blethen and Francis A. Blethen as in said last will and testament provided, in so far as income from said trust created under said last will and testament is concerned, and in trust for distribution of said stock upon termination of the period of said trust as in said supplemental contract provided to William K. Blethen, John Alden Blethen, Francis A. Blethen and Clarence B. Blethen, the four living sons of said Clarence B. Blethen, deceased, or the issue of such of them as may be deceased, in equal shares, per stirpes.

4. For the judgment and decree of the court that the election of the Board of Directors of the Seattle Times Company, held on the 20th day of January, 1942, was null and void and removing from office the directors purportedly elected at said meeting.

5. For judgment against the defendants and each of them for plaintiff's costs and disbursements herein to be taxed.

6. For such other and further relief as to the court may seem just and equitable in the premises.

JONES & BRONSON,  
OPPENHEIMER, HODGSON,  
BROWN, DONNELLY &  
BAER.

MYLES B. AMEND,

Attorneys for Plaintiff. [18]

United States of America  
Western District of Washington  
Northern Division—ss:

Story Birdseye, being first duly sworn upon oath deposes and says: That he is one of the attorneys for the plaintiff corporation herein and is duly authorized to make this verification on its behalf; that none of the officers of plaintiff corporation are within this jurisdiction; that he has read the above and foregoing complaint, knows the contents thereof, and believes the same to be true.

STORY BIRDSEYE

Subscribed and Sworn to before me this 10th day .  
of November, 1942.

[Seal]

WHEELER GREY

Notary Public in and for  
the State of Washington,  
residing at Seattle.

[Endorsed]: Filed Nov. 10, 1943 [19]

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EXHIBIT A

This Agreement, made the 30th day of December, 1929, between C. B. Blethen, party of the first part, Genevieve Blethen, Rose A. Blethen, Florence B. Duffy and Marion B. Mesdag, parties of the second part, and Bernard H. Ridder, Joseph E. Ridder and Victor F. Ridder, co-partners, doing business under the firm name and style of Ridder Brothers, parties of the third part,



## Exhibit A—(Continued)

Witnesseth:

That, in consideration of the mutual covenants and promises hereinafter made by the respective parties hereto, it is agreed,

First: The parties of the first and third parts will organize a corporation under the laws of the State of Delaware with the name of Seattle Times Company, and with the following corporate structure:

A. Ten thousand (10,000) shares of preferred stock having a par value of \$100.00 each, which shall be entitled to cumulative dividends at the rate of, but not exceeding, seven per centum per annum, payable quarterly out of the net earnings of the corporation. Such preferred stock shall not be entitled to any voting rights except in the case of default for six consecutive dividend payments. During any such period of default, such preferred stock shall have exclusive voting power with the right to liquidate the company, sell its assets and remove any of its existing officers or directors, and the other usual rights of preferred stockholders under the circumstances, until such time as the default shall have been remedied. Thereupon the voting powers shall again vest in the stock otherwise entitled thereto.

The certificate of incorporation shall provide that a retirement fund of Ten (10%) per cent of the total amount of any such preferred stock at any time theretofore issued shall be set up by the corporation annually for the retire- [20] ment of such preferred stock. The preferred stock shall

## Exhibit A—(Continued)

be callable on any dividend date of forty-five (45) days' notice, at 105, plus cumulative unpaid dividends to the date of retirement. Such preferred stock on liquidation or dissolution shall be entitled to a preference at 105 as to assets and unpaid dividends over any other class of stock hereinafter provided for. Such retirement fund shall be paid by the corporation to the transfer agent of such preferred stock annually and shall be applied by the said transfer agent to the retirement of such preferred stock insofar as the retirement fund is available for that purpose, and shall be applied in proportion to the holdings of the preferred stockholders, or in such other manner as shall be determined by the said transfer agent, subject to the approval of the board of directors.

B. Twenty Thousand (20,000) shares of Class A common stock without par value. The Class A common stock is to have no voting rights in any event whatever, but is to be entitled to annual dividends of \$50.00 a share, after the payment of the annual dividends and retirement payments hereinabove provided for, with respect to the preferred stock, and after the payment of the interest and sinking fund payments with respect to the debentures to be issued as hereinafter set forth. The right to such annual dividends is to be non-cumulative, unless earned, provided there shall be no accumulation of dividends until the sum of Five Hundred Thousand (\$500,000.00) Dollars shall be added to the surplus, if any, existing on February 1, 1930. Upon liquidation or dissolution, the Class

## Exhibit A—(Continued)

A common stock shall be entitled to share in the assets of the corporation equally, share for share, with the Class B common stock, hereinafter provided for. The Class A common stock shall be preferred as to such annual dividends of \$50.00 a share over the Class B stock, hereinafter provided for. [21]

C. One Thousand (1,000) shares of Class B common stock which shall have full voting rights, subject only to the rights of the holders of the preferred stock in the event of default in the payment of dividends on such preferred stock, as hereinabove provided for. Such Class B common stock shall not be entitled to any dividends except as the corporation shall have paid or set aside funds sufficient to meet the requirements of the interest and sinking fund obligations in respect to the debentures, as hereinafter set forth, dividends on the preferred stock and the retirement fund with respect to such preferred stock, as hereinabove set forth, and dividends on the Class A common stock, as hereinabove set forth.

D. Two Million (\$2,000,000.00) Dollars principal amount of Eighteen Year six and one-half (6½%) Debentures under an indenture of trust which shall be made by the new corporation to The First Seattle Dexter Horton National Bank of Seattle, as Trustee, in a form to be approved by the Counsel for said Bank and the Counsel for the parties of the first and third parts.

Second: The party of the first part will deliver



Exhibit A—(Continued)

to the new corporation 352.94 shares of the common stock of Seattle Times, Incorporated, a Nevada corporation, hereinafter referred to as the "Nevada corporation", and accept in exchange therefor, \$134,000.00 principal amount of the Eighteen Year 6½% Debentures of the new corporation, to be issued as hereinabove provided, 5,970 shares of the preferred stock of the new corporation, to be issued as hereinabove provided, 7,000 shares of the Class A common stock of the new corporation, to be issued as hereinabove provided, and 560 shares of its Class B stock, to issued as hereinabove provided, and \$278,300.00 in cash. [22]

Third: The parties of the second part will deliver to the new corporation 647.06 shares of the common stock of said Nevada corporation for \$3,100,990.00 in cash, to be paid to the parties of the second part by the new corporation, payable on delivery of the stock.

Fourth: Each of the parties of the second part agree to accept the following amounts of cash as their respective shares, to which each of said parties is entitled hereunder for the respective number of shares of stock in the Nevada corporation to be delivered by each of them, as follows:

	Shares	Cash
Genevieve Blethen .....	176.47	\$845,724.55
Rose A. Blethen.....	164.71	789,342.91
Florence B. Duffy .....	152.94	732,961.27
Marion B. Mesdag .....	162.94	732,961.27
	<hr/> 647.06	<hr/> \$3,100,990.00

## Exhibit A—(Continued)

Fifth: The parties of the first and second parts represent and warrant that Seattle Times, Incorporated, has been duly organized under the laws of the State of Nevada and that it is qualified to do business in the State of Washington; that it is the owner and publisher of a daily newspaper in the City of Seattle, known as the Seattle Times; that there is no preferred stock authorized or issued and that the entire capital stock of the said Seattle Times, Incorporated, consists of one thousand shares of common stock all of which has been issued and is fully paid and non-assessable.

Sixth: The parties of the first and second parts agree that the stock of the Nevada corporation to be delivered to the new corporation, as hereinabove provided, shall be delivered to the new corporation duly endorsed for transfer or with stock powers attached, in such form as shall be approved by the parties hereto or their counsel.

Seventh: The parties of the third part agree to purchase from the new corporation 4,030 shares of the preferred [23] stock, to be issued as hereinabove provided, 13,000 shares of the Class A common stock, to be issued as hereinabove provided and 440 shares of the Class B common stock, to be issued as hereinabove provided, for \$1,662,570.00 in cash.

Eighth: The parties of the first and third parts agree that the new corporation will enter into an agreement in writing, which will provide that the new corporation will indemnify and save harmless the parties of the second part from any and all

## Exhibit A—(Continued)

obligations, liabilities, costs or expenses for federal income taxes that may be levied or assessed against the said parties of the second part, or any of them, by reason of any capital gain that may accrue, to be said to have accrued, to them as a result of the sale of their said stock in the Nevada corporation to the new corporation, or by reason of any other income tax that may be assessed against the parties of the second part in any way growing out of the sale of their said stock in the Nevada corporation to the new corporation. It is understood and agreed, however, that the said parties of the second part will constitute and appoint, and hereby do constitute and appoint the new corporation, their agent or attorney in fact, to contest by appeal, suit, writ, action or otherwise the levying or assessment of any such taxes deemed by the new corporation to be excessive or contrary to law. The said parties of the second part agree to deliver to the new corporation such additional instruments, documents, affidavits, powers of attorney or other papers as may be necessary, or be deemed necessary to carry out the intention of this paragraph of this agreement.

The parties of the first and third parts hereby jointly and severally guarantee to the parties of the second part, and to each of them, the full and faithful performance of the foregoing agreement on the part of the new corporation. [24]

Tenth: The Seattle Times, Incorporated, shall, prior to February 1, 1930, exchange the stock of the Times Investment Company, a Washington

## Exhibit A—(Continued)

corporation, which it now owns and holds, with said Times Investment Company for the stock of Seattle Times, Incorporated, which said Investment Company now owns and holds.

Eleventh: The parties of the first and second parts warrant and represent:

A. The Exhibit A, attached hereto, is a true and correct statement of the assets and liabilities of the Nevada corporation as of September 30, 1929, according to its books kept in the regular and usual course of business, and that such statements shall be certified by Messrs. Price, Waterhouse & Company, certified public accountants.

B. That the net difference between the assets and liabilities as set forth in said Exhibit A shall not change between the date of said Exhibit A and the date of the closing, as hereinafter provided, and that no change has occurred or will occur in the business of the Nevada corporation since the date of said Exhibit A, except such as has or may occur in the ordinary course of business and except that the said Nevada corporation has declared, prior to the date of closing, dividends on its stock to the extent of \$15,000.00 during the month of October, 1929, and to the extent of \$15,000.00 during the month of November, 1929, and to the extent of \$15,000.00 during the month of December, 1929, and except also an extra dividend during the month of December, 1929, of \$60,000.00; provided, however, that all of its accounts payable shall be paid as usual in the due course of business, and that no advances shall be made by the mortgagee in excess

## Exhibit A—(Continued)

of \$275,000.00, now advanced by the Washington Mutual Savings Bank as the mortgagee of the Fairview Avenue real estate, hereinafter referred to, and provided further that the net bank [25] balance of the Nevada corporation on January 2, 1930 shall be not less than \$100,000.00. Provided, however, that in addition to the assets and liabilities set forth in Exhibit A, Seattle Times, Incorporated, on or before February 1, 1930, may and will assume and set up on its books such liability as has been incurred by and now appears on the books of the Times Investment Company, a Washington corporation, being part of the \$275,000.00, borrowed from the Washington Mutual Savings Bank, as mortgagee, which has been charged as a liability of the Times Investment Company, such liability, however, not to exceed the sum of \$141,545.25, it being understood that the Times Investment Company will re-pay to Seattle Times, Incorporated, any part of said sum which has not been expended by it in the purchase of the Fairview Avenue real estate, hereinabove referred to, and will convey said real estate to the Seattle Times, Incorporated, in consideration of its assuming such liability.

Twelfth: In addition to the assets set forth in said statement of September 30, 1929, the parties of the first and second parts agree that there will be included among the assets of the Nevada corporation at or before the closing, as hereinafter provided, two parcels of real estate situated on Fairview Avenue, in the City of Seattle, State of



## Exhibit A—(Continued)

Washington, now standing in the name of the Times Investment Company, and that title thereto will be good and marketable in the said Nevada corporation on the date of closing, subject only to said mortgage of \$425,000.00, held by said Washington Mutual Savings Bank, on which 275,000.00 has been advanced.

Thirteenth: The parties of the first and second parts represent and warrant that there are no obligations or liabilities of the Nevada Corporation, whether contingent or for taxes or otherwise, which are not set forth in said Exhibit A, except such as have occurred or shall occur in the balance sheet of the Nevada corporation in the usual course of its business up to the [26] closing, as hereinafter provided, and except any liability under any reassessments for federal income taxes against said Nevada corporation for 1929 and previous years.

Fourteenth: The parties of the first and second parts agree that the Nevada corporation will not discount any accounts, notes or other receivables, whether set forth in said Exhibit A or accruing to the Nevada corporation after the date hereof and prior to the closing, as hereinafter provided, except such as shall become payable in accordance with the terms thereof and in the due course of business.

Fifteenth: The parties of the first and second part represent and warrant that the Nevada corporation has declared no dividends of any kind payable in stock, cash, property or otherwise since the date of said balance sheet herein designated



## Exhibit A—(Continued)

as Exhibit A, except that cash dividends aggregating \$105,000. have been paid, and that no other dividend or distribution will be declared or paid after the date hereof, except the distribution of such shares of its own stock which it may receive in exchange from the Times Investment Company, a Washington corporation, as hereinabove provided.

Sixteenth: The party of the first part agrees, in the event that the name of the new corporation conflicts with or is in any way similar to the name of the Nevada corporation, to cause the Nevada corporation, prior to February 1, 1930, to execute such consent or consents as may be required by the Secretary of the State of Washington for the filing in the office of the Secretary of the State of Washington of the certificate of incorporation of the new corporation, or such other instrument or document as may be necessary to qualify the new corporation to do business in the State of Washington. [27]

Seventeenth: The party of the first part represents that there are no suits for libel or other suits, actions or proceedings now pending against the Nevada corporation, except two personal injury suits.

Eighteenth: The said parties of the second part agree to tender their resignation as directors of the Nevada corporation, to take effect on February 1, 1930.

Nineteenth: The parties hereto of the first and third parts have, simultaneously with the execution

## Exhibit A—(Continued)

and delivery of this agreement, entered into another agreement bearing even date herewith, and hereinafter referred to as the “supplemental agreement”. The closing of this agreement is contingent upon the performance by the parties of the first and third parts of all of the terms, clauses, covenants and conditions to be performed under such supplemental agreement between them and in the event that such other agreement is not completed and/or closed, this agreement is to be deemed null and void.

Twentieth: The agreement is also contingent upon the sale of \$1,866,000.00 of the Eighteen Year 6½% Debentures, hereinbefore provided for, to the First Seattle Dexter Horton Securities Company and its underwriting associates on or before February 1, 1930, and in the event such sale is not consummated, this agreement is to be deemed null and void.

Twenty-First: In the event that the statements contained in Exhibit A hereto annexed have not been certified by Messrs. Price, Waterhouse & Company, or in the event that the net difference between the assets and liabilities set forth in Exhibit A changes prior to the closing hereunder (except changes as are hereby specifically permitted), or, in the event that any of the representations of the parties of the first and second parts are found to be false, or warranties of said parties are unfulfilled, the party [28] of the third part shall have the option to cancel this contract.

Twenty-Second: The parties of the first and

## Exhibit A—(Continued)

third parts agree with the parties of the second part that that certain mortgage of \$425,000.00, held by the Washington Mutual Savings Bank, on which \$275,000.00 has been advanced, which mortgage covers the Times Building, owned by the Times Investment Company and other property, will be satisfied of record before the closing of this contract and that the Times Building and the real estate upon which situated will be released from the lien of said mortgage.

Twenty-Third: The closing of this contract shall take place of 10 o'clock in the forenoon on February 1, 1930, at the office of The First Seattle Dexter Horton National Bank of Seattle, or at such place in said City of Seattle as may be designated by the attorneys for the party of the first part.

Twenty-Fourth: The parties of the third part may assign this contract and all their right, title and interest thereunder and/or any securities to be issued thereunder, to a corporation organized or to be organized by them, in which they own over 60% of all of the issued capital stock.

## Exhibit A—(Continued)

In Witness Whereof, the parties hereto have caused this instrument to be executed on the day and year first above written.

(signed) C. B. BLETHEN  
 " GENEVIEVE S. BLETHEN  
 " ROSE A. BLETHEN  
 " FLORENCE B. DUFFY  
 " MARION B. MESDAG  
 " RIDDER BROS.

By: BERNARD H. RIDDER

Co-Partners doing business  
 under the firm name and  
 style of Ridder Brothers.

[29]

## EXHIBIT "A"

## SEATTLE TIMES, INCORPORATED

## ASSETS

September 30, 1929

## CAPITAL ASSETS:

Associated Press Franchise		\$ 50,000.00	
Machinery and equip- ment, including office furniture and fix- tures .....	\$ 1,152,948.53		
Less—Reserve for De- preciation .....	452,072.50	700,876.03	\$750,876.03

## INVESTMENTS:

75 Shares The Times In- vestment Co. ....	66,666.67	
Miscellaneous .....	1,030.00	67,696.67

Exhibit A—(Continued)

CURRENT ASSETS:

Inventories — At cost or market, whichever low- er .....		\$100,929.60	
Accounts Receivable— Advertis- ing      \$342,953.36			
Circula- tion      58,746.84			
Sundry      3,843.12	\$405,543.32		
<hr/>			
Notes Receivable .....	4,418.83		
<hr/>		409,962.15	
Less—Reserve for Bad Debts .....	26,200.00	383,762.15	
Cash in hands and on hand		52,199.90	\$536,901.65
		<hr/>	<hr/>

DEFERRED CHARGES:

Insurance Premiums unexpired.....	\$ 10,860.24		
Miscellaneous prepaid Expenses.....	3,481.46		
Remodeling Commercial Division.....	4,685.72	19,027.42	
		<hr/>	<hr/>
		\$1,374,501.77	
			[30]

EXHIBIT "A"

SEATTLE TIMES, INCORPORATED

September 30, 1929

LIABILITIES

CAPITAL STOCK:

Authorized Issue—1,000 shares of \$100. each.....	\$100,000.00
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DEFERRED LIABILITIES:

Notable payable (Payable at rate of \$3,333.33 annually beginning 3/10/30 .....	\$ 39,999.96	
Mortgages Payable .....	133,454.75	\$173,454.71
<hr/>		
Provisions for Income Tax Year 1929		36,923.24

## Exhibit A—(Continued)

## CURRENT LIABILITIES:

Accounts Payable .....	\$192,997.97	
Interest accrued .....	845.08	\$193,842.05
<hr/>		
Income Tax for 1928 due		
Dec. 15, 1929 .....		15,056.50
Property Taxes accrued		
for 1929 .....	19,600.00	\$228,498.55
<hr/>		

## UNEARNED REVENUES:

Subscriptions, etc, received		
in advance .....		\$ 14,372.37

## SURPLUS:

Balance at January 1,		
1929 .....	\$792,216.18	
Less Additional Assess-		
ment Income Tax Prior		
Year .....	233.71	\$791,982.47
<hr/>		
Operating Profit January		
1, 1929 to September 30,		
1929 .....	\$307,693.67	
Dividends received from		
The Times Investment		
Company .....	\$ 15,000.00	
<hr/>		
	\$322,693.67	
Less — Provision for In-		
come Tax, 1929.....	36,923.24	\$285,770.43
<hr/>		
	\$1,077,752.90	
Less Dividends paid in		
1929 .....	256,500.00	\$821,252.90
<hr/>		
		\$1,374,501.77



## EXHIBIT "B"

It Is Agreed that the Eighth paragraph of the Agreement made the 30th day of December, 1929, between C. B. Blethen, party of the first part, Genevieve Blethen, Rose A. Blethen, Florence B. Duffy and Marion B. Mesdag, parties of the second part, and Bernard H. Ridder, Joseph E. Ridder and Victor F. Ridder, copartners doing business under the firm name and style of "Ridder Brothers", parties of the third part, be Amended and Modified to read as follows:

"Eighth: The parties of the first and third parts hereby expressly agree to indemnify and save harmless the parties of the second part from any and all obligations, liabilities, costs or expenses for federal income taxes that may be levied or assessed against the said parties of the second part, or any of them, by reason of any capital gain that may accrue, or be said to have accrued, to them as a result of the sale of their said stock in the Nevada corporation to the new corporation, or by reason of any other income tax that may be assessed against the parties of the second part in any way growing out of the sale of their stock in the Nevada corporation to the new corporation. It is understood and agreed, however, that the said parties of the second part will constitute and appoint and hereby do constitute and appoint the parties of the first and third parts, their agents or attorneys-in-fact, to contest by appeal, suit, writ, action or otherwise the levying or assessment of any such taxes deemed by the parties of the first and third parts to

be excessive or contrary to law. The said parties of the second part agree to deliver to the parties of the first and third parts such additional instruments, documents, affidavits, powers of attorney or other papers as may be necessary, or be deemed necessary, to carry out the intention of this paragraph of this agreement."

Dated this 4th day of January.

C. B. BLETHEN

Party of the first part.

GENEVIEVE S. BLETHEN

ROSE A. BLETHEN

FLORENCE BLETHEN DUFFY

MARION BLETHEN MESDAG

Parties of the Second Part.

RIDDER BROTHERS

By BERNARD RIDDER

Parties of the Third Part.

[32]

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EXHIBIT "C"

This Agreement, made the 1st day of February, 1930, between C. B. Blethen, party of the first part, Genevieve Blethen, Rose A. Blethen, Florence B. Duffy and Marion B. Mesdag, parties of the second part, and Bernard H. Ridder, Joseph E. Ridder and Victor F. Ridder, co-partners, doing business under the firm name and style of Ridder Brothers, parties of the third part,

Witnesseth:

Whereas, the parties hereto entered into an agreement dated December 30, 1929 (as modified by an agreement dated January 4, 1930) providing, among other things, for the organization of a Delaware corporation for the purpose, among others, of acquiring all of the capital stock of Seattle Times, Incorporated, a Nevada corporation; and

Whereas, such corporation has been organized under the laws of the State of Delaware and the parties hereto desire to further modify, in certain respects, said agreement of December 30, 1939 (as so modified by said agreement dated January 4, 1930);

Now, Therefore, in consideration of the foregoing and in consideration of the mutual covenants and promises hereinafter made by the respective parties hereto, It Is Agreed;

(1) Paragraph Second of said agreement of December 30, 1929 is hereby modified and amended to read as follows:

“Second: The party of the first part will deliver to the new corporation 352.94 shares of the common stock of Seattle Times, Incorporated, a Nevada corporation, hereinafter referred to as the “Nevada corporation”, and accept in exchange therefor 7,310 shares of the preferred stock of the new corporation, to be issued as hereinabove provided, 7,000 shares of the Class A common stock of the new corporation, to be issued as hereinabove provided, and 560 shares of its Class B stock, to be issued as hereinabove provided, and \$280,980.00 in cash.”

(2) Paragraph Seventh of said agreement of December 30, 1929 is hereby modified and amended to read as follows: [33]

“Seventh: The parties of the third part agree to purchase from the new corporation 2,690 shares of the preferred stock, to be issued as hereinabove provided, 13,000 shares of the Class A Common Stock, to be issued as hereinabove provided, and 440 shares of the Class B Common Stock, to be issued as hereinabove provided, for \$1,541,970.00 in cash.”

(3) Paragraph Eighth of said agreement of December 30, 1929 is hereby modified and amended to read as follows:

“Eighth: The parties of the first and third parts hereby expressly agree to indemnify and save harmless the parties of the second part from any and all obligation, liabilities, costs or expenses for federal income taxes that may be levied or assessed against the said parties of the second part, or any of them, by reason of any capital gain that may accrue to them as a result of the sale of their said stock in the Nevada corporation to the new corporation, or by reason of any other income tax that may be assessed against the parties of the second part in any way growing out of the sale of their stock in the Nevada corporation to the new corporation. The parties of the second part, and each of them, agree not to sign or file their respective Federal income tax returns covering the year 1930 or any affidavit, schedule or other document relating thereto, or take any action whatsoever in connection therewith without first submitting the same to the parties of the

first and third parts and obtaining the written approval of the parties of the first and third parts and their counsel. In case the parties of the second part shall be notified in writing that any additional tax of the character above described has been levied, assessed or asserted against the parties of the second part, or any of them, the party or parties of the second part affected by such notice shall within fifteen (15) days from the date of receipt of such notice by such party or parties, deliver the same, or a copy thereof to the party of the first part, or his legal representatives, in case of his death. Such notice shall be deemed delivered when placed in United States mail postage prepaid and registered, addressed to the party of the first part at his place of business, or the place of business of his legal representative in case of his death. The parties of the second part further agree not to pay any Federal income tax which may be levied, assessed or asserted against them, or any of them, for the year 1930 without first obtaining the consent of the parties of the first and third parts and their counsel. It is further understood and agreed that the said parties of the second part will constitute and appoint and hereby do constitute and appoint the parties of the first and third parts their agents or attorneys-in-fact to contest by appeal, suit, writ, action or otherwise the levying or assessment of any such taxes deemed by the parties of the first and third parts to be excessive or contrary to law. The said parties of the [34] second part, and each of them, agree to deliver to the parties of the first and



third parts such information, instruments, documents, affidavits or other papers, as well as to provide such access to the books, records, or other documents of each of them relating to their respective income tax returns, as may be necessary or be deemed necessary by the parties of the first and third parts to carry out the intention of this paragraph.

(4) The last sentence of paragraph Eleventh of said agreement of December 30, 1929, is hereby modified and amended to read as follows:

“Provided, however, that in addition to the assets and liabilities set forth in Exhibit A, Seattle Times, Incorporated, on or before February 3, 1930, may and will assume and set up on its books such liability as has been incurred by and now appears on the books of the Times Investment Company, a Washington corporation, being part of the \$275,000.00, borrowed from the Washington Mutual Savings Bank, as mortgagee, which has been charged as a liability of the Times Investment Company, such liability, however, not to exceed the sum of \$141,545.25, it being understood that the Times Investment Company will re-pay to Seattle Times, Incorporated, any part of said sum which has not been expended by it in the purchase of the Fairview Avenue real estate, hereinabove referred to, and will convey said real estate to the Seattle Times, Incorporated, in consideration of its assuming such liability.”

(5) Paragraph Twelfth of said agreement of De-



ember 30, 1929, is hereby modified and amended to read as follows:

“Twelfth: In addition to the assets set forth in said statement of September 30, 1929, the party of the first part agrees that there will be included among the assets of the Nevada corporation at or before the closing, as hereinafter provided, two parcels of real estate situated on Fairview Avenue, in the City of Seattle, State of Washington; now standing in the name of the Times Investment Company, and that title thereto will be good and marketable in the said Nevada Corporation on or before the date of closing, subject only to said mortgage of \$425,000.00, held by said Washington Mutual Savings Bank, on which \$275,000.00 has been advanced (and which will be satisfied of record on or before the closing of this contract, as hereinafter provided.)”

(6) Paragraph Seventeenth of said agreement of December 30, 1929, is hereby modified and amended to read as follows:

“Seventeenth: The party of the first part represents that there are no suits for libel or other suits, actions or proceedings now pending against [35] the Nevada corporation, except two personal injury suits, in one of which judgment has been rendered against the Nevada corporation for \$2500.00, in which execution has been stayed pending appeal, and in the other of which damages are claimed in the sum of \$29,500.00, in respect to each of which suits said Nevada corporation is protected by liability insurance to the extent of \$10,000.”

(7) Paragraph Eighteenth of said agreement of December 30, 1929, is hereby modified and amended to read as follows:

“Eighteenth: The said parties of the second part agree to tender their resignations as directors of the Nevada corporation, to take effect on or before February 3, 1930.”

(8) Paragraph Twentieth of said agreement of December 30, 1929, is hereby modified and amended to read as follows:

“Twentieth: The agreement is also contingent upon the sale of \$2,000.00 of the 6½% Eighteen Year Debentures, hereinbefore provided for, to the First Seattle Dexter Horton Securities Company and its underwriting associates on or before February 3, 1930, and in the event such sale is not consummated, this agreement is to be deemed null and void.”

(9) Paragraph Twenty-Second of said agreement of December 30, 1929, is hereby modified and amended to read as follows:

“Twenty-Second: The party of the first part, at or before the closing, will pay to the Nevada corporation the sum of \$269,000. (being the amount due from *part* of the first part, as trustee under an Employee's Stock Purchase Agreement), and the sum of \$9,537,000. (being the cash surrender value of Policies of life insurance on the life of the party of the first part), and the Nevada corporation will deliver to the party of the first part the said life insurance policies and consent insofar as may be necessary to the naming of such beneficiary in such

life insurance policies as may be nominated by the said party of the first part. The parties of the first and third parts further agree with the parties of the second part that that certain mortgage of \$425,000.00 held by the Washington Mutual Savings Bank, on which \$275,000. has been advanced, which mortgage covers the Times Building owned by the Times Investment Company and other property, will be satisfied of record at or before the closing of this contract."

(10) Paragraph Twenty-Third of said agreement of December 30, 1929, is hereby modified and amended to read as follows:

"Twenty-Third: The closing of this contract shall take place on February 3, 1930 at the office of The First Seattle Dexter Horton National Bank of Seattle or at such place in said City of Seattle as may be [36] designated by the attorneys for the party of the first part."

(11) That the party of the first part may consummate with the new corporation the transaction provided for in Paragraph Second of said agreement of December 30, 1929, as amended, prior to any transaction between the new corporation and either parties of the second part or parties of the third part.

(12) Except as herein expressly modified, the agreement between the parties dated December 30, 1929, (as modified by said agreement dated January 4, 1930) shall remain in full force and effect.

In Witness Whereof, the parties hereto have caused this instrument to be executed on the day and year first above written.

C. B. BLETHEN

GENEVIEVE S. BLETHEN

ROSE A. BLETHEN

FLORENCE B. DUFFY

MARION B. MESDAG

RIDDER BROTHERS

Ridder Bros.

By BERNARD H. RIDDER

Co-partners doing business under the firm name and style of Ridder Brothers [37]

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## EXHIBIT D

### Supplemental Agreement

This Agreement, made the 30th day of December, 1929, between C. B. Blethen, hereinafter referred to as "Blethen", and Bernard H. Ridder, Joseph E. Ridder and Victor F. Ridder, co-Partners, doing business under the firm name and style of Ridder Brothers, hereinafter referred to as "Ridder Brothers".

Whereas, the parties hereto, together with Genevieve Blethen, Ross A. Blethen, Florence B. Duffy, and Marion B. Mesdag, have entered into an agreement bearing even date herewith and intended to be executed and delivered simultaneously herewith

and which this agreement is intended to supplement, and

Whereas, said agreement provides, among other things, for the organization of a Delaware corporation which is to acquire all of the stock or all of the assets of Seattle Times, Incorporated, a Nevada corporation, and

Whereas, all the voting or Class B common stock of such new Delaware corporation, as provided in said agreement, will be owned by the parties hereto in the following proportions, namely:

Blethen	56%
Ridder Brothers	44%

Whereas, it is intended by the parties hereto that Blethen should undertake the general management of said New corporation, and more particularly of the newspaper to be published by it or by its subsidiary, and assume the position of President of said new corporation, and give his entire time and attention to the management of the business and affairs of said corporation and/or its subsidiary, and

Whereas, the parties hereto each desire that their respective holdings of the voting stock of the new Delaware corporation remain as now held for the period or periods hereinafter specified; [38]

Now, Therefore, in consideration of the foregoing and in consideration of the mutual agreements hereinafter contained, the parties hereto mutually covenant and agree:

First: The certificate of incorporation or the by-laws, whichever may be appropriate, of the new Delaware corporation shall provide for nine directors of such corporation.

Second: The certificate of incorporation of such new corporation shall provide for cumulative voting so that each stockholder will be entitled to as many votes at each election of directors as shall equal the number of shares of stock held by such stockholder, multiplied by the number of directors to be elected, and any such stockholder may cast all of such votes for any one director or for two or more of such directors.

Third: Blethen shall receive the sum of \$114,000. per annum for his salary as an officer and/or general manager of the new corporation and/or its subsidiaries during his incumbency of office, and no more.

Fourth: Ridder Brothers shall receive \$25,000. in salary for performing such duties as officers of the new corporation and/or of its subsidiaries or otherwise as may be delegated to them by the board of directors.

Fifth: Blethen shall not, for a period of twenty-one years from the date hereof, sell, assign, transfer, pledge or hypothecate any of the Class B common stock of such new Delaware corporation owned by him so as to reduce his holdings of such Class B common stock to less than 51% of such Class B common stock at any time issued or outstanding.

Sixth: Ridder Brothers shall not, during the same period of twenty-one years, sell, assign, trans-



fer, pledge or hypothecate any of their Class C common stock of such new Delaware corporation, except that nothing herein contained [39] shall be deemed to prevent or prohibit the sale or transfer of any of such Class B common stock by Ridder Brothers to any corporation in which said Ridder Brothers own over 60% of all of the voting stock.

Seventh: The certificates of stock representing the shares of the Class B common stock in the new corporation, to be issued to the parties to this agreement, shall bear an endorsement to the effect that such certificates and the stock represented thereby are subject in all respects to the terms, clauses and conditions of this agreement. All certificates of stock representing any of said Class B common stock issued in lieu of said original certificates, or issued as a stock dividend on said original stock, or issued on any split-up of said original stock, or issued on account of any increase of said original stock, shall bear a similar endorsement.

Eighth: Blethen agrees, immediately after the issuance of Class B common stock to him to make a last Will and Testament, or some other instrument in writing, which will provide in effect that his Class B common stock be held in trust by his trustees after his death for a period of twenty-one years after the date hereof. Such last Will and Testament or other trust instrument shall also provide that Blethen's Class B common stock shall not be sold by his trustees until the termination of such trust. Such last Will and testament or other trust instrument shall constitute, nominate and appoint

the widow of said Blethen as one of the trustees, Bernard R. Ridder, another of such trustees, and Elmer E. Todd, the third of such trustees. It shall further provide that, in the event of the death, resignation or disability of his widow at any time, the vacancy caused thereby shall not be filled but the surviving trustees [40] shall act. In the event of the death, resignation or disability of Bernard H. Ridder at any time, one of his brothers shall act as trustee in his place and stead and, in the event of the death, resignation or disability of Elmer E. Todd at any time, one of the partners of the law firm now representing Blethen shall act as trustee in his place and stead. Such last Will and Testament or other trust instrument shall also provide that upon the termination of the trust, Blethen's Class B common stock shall be distributed by the trustees among the surviving sons of said Blethen and the issue of such of them as may be deceased, in equal shares, per Stirpes. Such last Will and Testament, or other trust instrument, shall further provide that, in case of any difference or differences of opinion between the said trustees as to any question connected with the management of the corporation, the Class B common stock of which is to constitute the corpus of the trust, any trustee may submit such a question for arbitration, upon notice to the other trustees, to the then general manager of The Associated Press, and in any such case the decision of the said then general manager of The Associated Press shall be final and conclusive and be binding upon all of said trustees.

Ninth: In the event that Blethen should, at any time before the expiration of twenty-one years from the date hereof, be adjudicated incompetent to manage his affairs or estate, it is desired, and he hereby recommends that any Court which has jurisdiction over the appointment of a guardian, committee or conservator of his estate, appoint as such guardians, committee or conservators, as the case may be, the persons hereinabove specified to be the trustee under such last Will and Testament or other trust instrument to be made by him. Blethen directs and [41] requests any guardians, committee or conservators that may be appointed for his estate that any difference of opinion that may arise between them with respect to the management of the corporation, the Class B common stock of which forms a part of his estate, be submitted for arbitration to the then general manager of The Associated Press and that such guardians, committee or conservators accept the decision of such then general manager of The Associated Press as final and conclusive.

Tenth: The parties hereto agree to cause the new Delaware corporation to be organized, as hereinabove specified, to enter into an agreement in writing which will provide that such new corporation will indemnify Blethen and save him harmless from any and all obligations, liabilities, costs or expenses for federal income taxes that may be levied or assessed against Blethen by reason of any capital gain that may accrue or be said to have accrued to him as a result of his exchange of its stock in Seattle Times, Inc., a Nevada corporation for debentures.

tures, stock or cash of the new corporation. It is understood and agreed, however, that Blethen will constitute and appoint and hereby does constitute and appoint the new corporation his agent or attorney in fact to contest by appeal, suit, writ, action or otherwise, the levying or assessment of any such tax deemed by the new corporation to be excessive or contrary to law and Blethen agrees to deliver to the new corporation such additional instruments, documents, affidavits, powers of attorney or other papers that may be necessary or be deemed necessary to carry out the intention of this paragraph of this agreement.

Eleventh: The agreement bearing even date herewith between the parties hereto and Genevieve Blethen and others, which agreement this agreement is entitled to supplement, provides among other things that the new Delaware corporation shall [42] enter into an agreement in writing which will provide that said new Delaware Corporation will indemnify and save harmless Genevieve Blethen, Rose A. Blethen, Florence B. Duffy and Marion B. Mesdag from any and all obligations, liabilities, costs or expenses for federal income taxes that may be levied or assessed against the said Genevieve Blethen, Rose A. Blethen, Florence B. Duffy and Marion B. Mesdag or any of them by reason of any capital gain that may accrue or may be said to have accrued to them as a result of their exchange of their stock of Seattle Times, Incorporated, for debentures and cash of said new Delaware corporation, the full and faithful performance of which agree-

ment is jointly and severally guaranteed by Blethen and Ridder Brothers. It is hereby expressly understood and agreed that as between Blethen and Ridder Brothers, said guarantee is the primary obligation of the Ridder Brothers and that they agree to indemnify and save harmless the said Blethen against any loss or liability resulting to him on account of his said guarantee to said other stockholders of Seattle Times, Incorporated.

It is hereby expressly understood and agreed that the said new Delaware corporation will pay to Blethen an amount which shall equal seven-thirteenths ( $7/13$ ) of any amount of money which said new Delaware corporation is obligated to pay on account of any federal income tax levied or assessed against said Genevieve Blethen, Rose A. Blethen, Florence B. Duffy and Marion B. Mesdag at such time or times as such payments are made by said new corporation on account of said federal income tax. In the event that such payment or payments are not made by the new Delaware corporation to Blethen, as hereinabove provided, Ridder Brothers agree that they personally will pay to Blethen Thirty-five (35%) per cent of any sum or sums which are paid by the new Delaware corporation on account of any federal income [43] tax levied or assessed against said Genevieve Blethen, Rose A. Blethen, Florence B. Duffy and Marion B. Mesdag, as provided in said agreement hereinabove referred to.

It is hereby expressly understood and agreed that



if the new corporation fails or refuses to contest the levying of assessment of any of the above mentioned federal income taxes that may be levied or assessed against the said Genevieve Blethen, Rose A. Blethen, Florence B. Duffy and Marion B. Mesdag, or any of them, then the said Ridder Brothers shall have the right so to contest the levying or assessment of said taxes and all of the powers given to the new corporation in the Eighth Paragraph of the original agreement between the parties hereto and Genevieve Blethen and others are and shall be given to the said Ridder Brothers, their agents or attorneys in fact, and the new corporation will execute all such instruments and documents as may be necessary to vest said powers in said Ridder Brothers, their agents or attorneys in fact.

Thirteenth: It is hereby expressly understood and agreed by the parties hereto that none of them will become directly or indirectly interested in any other newspaper in the State of Washington except by mutual consent.

Fourteenth: This agreement shall not become effective unless the agreement bearing even date herewith, and to which this agreement is intended to be supplemental, is closed or completed on February 1, 1930, and in the event that such other agreement is not closed or completed on said date, this agreement shall be deemed by the parties hereto to be null and void.

Fifteenth: Ridder Brothers may assign this contract and all their right, title and interest there-



under to a [44] corporation organized or to be organized by them in which they own over sixty per cent of all of the issued capital stock.

(Signed) C. B. BLETHEN.

“ RIDDER BROTHERS,

“ By BERNARD H. RIDDER,

Co-partners doing business under the firm name and style of Ridder Brothers. [45]

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EXHIBIT “E”

This agreement, made this 15th day of January, 1930, between C. B. Blethen, hereinafter referred to as “Blethen” and Bernard H. Ridder, Joseph E. Ridder and Victor F. Ridder, co-partners doing business under the firm name and style of Ridder Brothers, hereinafter referred to as “Ridder Brothers”.

Whereas, the said Blethen, as party of the first part and Ridder Brothers, as parties of the third part, on the 30th day of December, 1929, entered into an agreement with Genevieve Blethen, Rose A. Bethen, Forence B. Duffy and Marion B. Mesdag, as parties of the second part, which agreement is hereinafter referred to as the “Main Agreement”, and

Whereas, on said 30th day of December, 1929, the said Blethen and the said Ridder Brothers entered into an agreement supplemental to said Main Agreement, which agreement of December 30, 1929

between Blethen and Ridder Brothers is herein-after referred to as the "Supplemental Agreement", and

Whereas, on January 4, 1930, all of the parties to the Main Agreement entered into an agreement modifying the eighth paragraph of the Main Agreement, which agreement of January 4, 1930 is hereinafter referred to as the "Modifying Agreement", and

Whereas, it is the intention of the said Blethen and the said Ridder Brothers that the Ridder Brothers are ultimately liable for all Federal income taxes that may be assessed or levied against Genevieve Belthen, Rose A. Blethen, Florence B. Duffy and Marion B. Mesdag and each of them by reason of any capital gain or other income taxes that may be assessed against them resulting from the sale or their stock in Seattle Times, Incorporated, a Nevada Corporation, to Seattle Times Company, a Delaware Corporation, and that Seattle Times Company is liable [46] for any income taxes that may be assessed or levied against C. B. Blethen on account of the sale of his stock in Seattle Times, Incorporated, a Nevada Corporation, to Seattle Times Company, a Delaware Corporation, and that in case the Delaware Corporation for any reason does not pay such taxes assessed or levied against C. B. Blethen, he will bear thirty-five per cent of such taxes and the Ridder Brothers sixty-five per cent of them,

Now, therefore, it is expressly understood and agreed that the tenth and eleventh paragraphs of

the supplemental agreement be respectively amended and modified to read as follows:

Tenth: The parties hereto agree to cause the new Delaware Corporation to be organized, as hereinabove specified, to enter into an agreement in writing which will provide that such new corporation will indemnify Blethen and save him harmless from any and all obligations, liabilities, costs or expenses for Federal income taxes that may be levied or assessed against Blethen by reason of any capital gain that may accrue or be said to have accrued to him as a result of his exchange of his stock in Seattle Times, Incorporated, a Nevada Corporation, for debentures, stock or cash of the new corporation. It is understood and agreed, however, that Blethen will constitute and appoint and hereby does constitute and appoint the new corporation his agent or attorney in fact to contest by appeal, suit, writ, action or otherwise, the levying or assessment of any such tax deemed by the new corporation to be excessive or contrary to law and Blethen agrees to deliver to the new corporation such additional instruments, documents, affidavits, powers of attorney or other papers that may be necessary to be deemed necessary to carry out the intention of this paragraph of this agreement. [47]

It is expressly understood and agreed that if the new Delaware Corporation for any reason fails to pay such Federal income taxes that may be levied or assessed against the said Blethen, or fails to indemnify him or save him harmless therefrom, then

he shall bear 35% of such taxes and Ridder Brothers 65% of such taxes and the Ridder Brothers expressly agree that in case said new Delaware Corporation fails to pay said taxes or to indemnify and save harmless the said Blethen from the payment thereof, then the said Ridder Brothers will pay 65% of said taxes and indemnify and save the said Blethen harmless from the payment thereof.

Eleventh: The Main Agreement, dated December 30, 1929 between the parties hereto and Genevieve Blethen, Rose A. Blethen, Florence B. Duffy and Marion B. Mesdag, as modified by the modifying agreement, dated January 4, 1930, provides that Blethen and the Ridder Brothers expressly agree to indemnify and save harmless Genevieve Blethen, Rose A. Blethen, Florence B. Duffy and Marion B. Mesdag from any and all liabilities, obligations, costs or expenses for Federal income taxes that may be levied or assessed against the said Genevieve Blethen, Rose A. Blethen, Florence B. Duffy and Marion B. Mesdag, or any of them, by reason of any capital gain that may accrue or be said to have accrued to them as a result of the sale of their said stock in the Nevada Corporation to the new Delaware corporation or by reason of any other income taxes that may be assessed against the parties of the second part in any way growing out of the sale of their stock in the Nevada corporation to the new corporation. It is hereby expressly understood and agreed that, as between Blethen and Ridder Brothers, the above agreement to indemnify and save harmless the said Genevieve Blethen, Rose A.

Blethen, Florence B. Duffy and Marion B. Mesdag [48] and each of them from such taxes is the primary obligation of the said Ridder Brothers and that the said Ridder Brothers shall be ultimately liable for the payment of such taxes and the Ridder Brothers agree to indemnify and save harmless the said Blethen against any loss or liability resulting to him on account of his said agreement to indemnify and save harmless the other stockholders of Seattle Times, Incorporated, from the payment of such taxes.

C. B. BLETHEN,  
RIDDER BROTHERS,  
By: BERNARD H. RIDDER,  
Co-partners doing business  
under the firm name and  
style of Ridder Brothers.  
[49]

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EXHIBIT "F"

This Agreement, made the 1st day of February, 1930, between C. B. Blethen (hereinafter referred to as "Blethen") and Bernard H. Ridder, Joseph E. Ridder and Victor F. Ridder, copartners, doing business under the firm name and style of Ridder Brothers (hereinafter referred to as "Ridder Brothers"),

Witnesseth:

Whereas, the parties hereto entered into an agreement dated December 30, 1929 (as modified by an

agreement dated January 15, 1930), containing various provisions with respect to the Class B common stock of Seattle Times Company, a Delaware Corporation, organized by the parties hereto pursuant to said agreement of December 30, 1929; and

Whereas, the parties hereto desire to further modify in certain respects said agreement of December 30, 1929 (as so modified by said agreement dated January 15, 1930);

Now, Therefore, in consideration of the foregoing and in consideration of the mutual covenants and promises hereinafter made by the respective parties hereto, It Is Agreed:

(1) Paragraph Third of said agreement of December 30, 1929 is hereby modified and amended to read as follows:

“Third: Blethen shall enter into a contract of employment with Seattle Times Company, a Delaware corporation, whereby Blethen shall agree to act as President of said Seattle Times Company and as publisher of its newspaper known as “The Seattle Times” for a period of five (5) years, and shall receive for his services as such President and Publisher an annual salary of One Hundred Fourteen Thousand (\$114,000.), and no more. Such employment contract shall also contain a provision that Blethen shall not engage or become interested, directly or indirectly, in any other newspaper, advertising or general publishing business in the State of Washington, except with the consent of Ridder Brothers”.



(2) Paragraph Fourth of said agreement of December 30, 1929 is hereby modified and amended to read as follows: [50]

“Fourth: Ridder Brothers, Incorporated, a New Jersey corporation, the majority of the capital stock of which is owned by said Ridder Brothers, shall enter into a management contract with Seattle Times Company, a Delaware Corporation, whereby said Ridder Brothers, Incorporated, through its officers, agents and employees, will furnish to Seattle Times Company, for a period of five (5) years, such services and management in the conduct of the business of said Seattle Times Company as may be required of it by the Board of Directors of said Seattle Times Company, and the said Ridder Brothers, Incorporated, shall receive annually therefor, as management compensation, the sum of Twenty-five Thousand Dollars (\$25,000.) and no more. Such management contract shall also contain a provision that said Ridder Brothers shall not engage or become interested, directly or indirectly, in any other newspaper, advertising or general publishing business in the State of Washington, except with the consent of Blethen.”

(3) Paragraph Tenth of said agreement of December 30, 1929 is hereby modified and amended to read as follows:

“Tenth: The parties hereto agree to cause Seattle Times Company, the Delaware corporation, to enter into an agreement in writing which will provide that such corporation will indemnify Blethen and save him harmless from any and all obligations,

liabilities, costs or expenses for Federal income taxes that may be levied, or assessed, against Blethen by reason of any capital gain that may accrue at any time as a result of his exchange of his stock in Seattle Times, Incorporated, a Nevada corporation, for stock of Seattle Times Company and cash. It is understood and agreed, however, that said Seattle Times Company shall not be liable to Blethen for the payment of any taxes on any gain that may be realized by Blethen upon the sale by him of any securities received on such exchange. Such agreement shall provide that Blethen shall not sign or file his Federal income tax return covering the year 1930 or any affidavit, schedule or other document relating thereto, or take any action whatsoever in connection therewith, or pay any such tax that may be levied or assessed or asserted against him, without first submitting the same to the Company and obtaining the written approval of the Company and its counsel. It is understood and agreed, however, that Blethen will constitute and appoint, and hereby does constitute and appoint, Seattle Times Company his agent or attorney-in-fact to contest by appeal, suit, writ, action or otherwise, the levying or assessment of any such tax deemed by Seattle Times Company to be excessive or contrary to law and Blethen agrees to deliver to said Seattle Times Company such information, instruments, documents, affidavits, powers of attorney or other papers as well as to provide such access to his books, records or other documents relating to his income tax return, as may be necessary

or be deemed necessary to carry out the intention of this paragraph. It is further expressly understood and agreed that if the Delaware Corporation for any reason fails to [51] pay such Federal income taxes that may be levied or assessed against the said Blethen, or fails to indemnify him or save him harmless therefrom, then Blethen shall bear thirty-five per cent (35%) of such taxes and Ridder Brothers sixty-five per cent (65%) of such taxes, and the Ridder Brothers expressly agree that in case said Delaware corporation fails to pay said taxes or to indemnify and save harmless the said Blethen from the payment thereof, then the said Ridder Brothers will pay sixty-five per cent (65%) of said taxes and indemnify and save the said Blethen harmless from the payment of said sixty-five per cent (65%) of said taxes."

(4) Said agreement of December 30, 1929 is further modified so as to strike out and eliminate therefrom entirely paragraph Thirteenth thereof.

(5) Paragraph Fourteenth of said agreement of December 30, 1929 is hereby modified and amended to read as follows:

"Fourteenth: This agreement shall not become effective unless the agreement bearing even date herewith and to which this agreement is intended to be supplemental, is closed or completed on February 3, 1930, and in the event that such other agreement is not closed or completed on said date, this agreement shall be deemed by the parties hereto to be null and void."

(6) Except as herein expressly modified the agreement between the parties dated December 30, 1929 (as modified by said agreement dated January 15, 1930) shall remain in full force and effect.

In Witness Whereof, the parties hereto have caused this instrument to be executed on the day and year first above written.

C. B. BLETHEN,  
RIDDER BROTHERS,  
By JOSEPH E. RIDDER,  
Co-partners doing business  
under the firm name and  
style of Ridder Brothers.  
[52]

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### EXHIBIT G

This Agreement, made this 30th day of June, 1930, between C. B. Blethen (hereinafter referred to as "Blethen") and Bernard H. Ridder, Joseph E. Ridder and Victor F. Ridder, copartners doing business under the firm name and style of "Ridder Brothers", (hereinafter referred to as "Ridder brothers")

Witnesseth:

Whereas, the parties hereto entered into an agreement dated December 30, 1929 (as modified by an agreement dated January 15, 1930 and as subsequently further modified by an agreement dated February 1, 1930) containing various provisions with respect to the Class B common stock of Seattle Times Company, a Delaware corporation, or-

ganized by the parties hereto pursuant to said agreement of December 30, 1929; and

Whereas, said parties hereto desire further to modify said agreement so as to permit the said Blethen to transfer his stock to a holding corporation of which he will at all times own over sixty (60) per cent of all of the voting stock;

Now, Therefore, in consideration of the foregoing and in consideration of the mutual covenants and promises hereinafter made by the respective parties hereto, It Is Agreed:

(1) Paragraph Fifth of said agreement of December 30, 1929 is hereby modified and amended to read as follows:

“Fifth: Blethen shall not, for a period of twenty-one years from December 30, 1929, sell, assign, transfer, pledge or hypothecate any of the Class B common stock of such Delaware corporation owned by him so as to reduce his holdings of such Class B common stock to less than fifty-one (51) per cent of such Class B common stock at any time issued or outstanding, except that nothing herein contained shall be deemed to prevent or prohibit Blethen from transferring not less than fifty-one (51) per cent of such Class B common stock at any time issued or outstanding to a holding corporation to be formed by him, in which holding corporation he shall at all times own not less than sixty (60) per cent of the voting stock, provided such holding corporation shall not, for a period of twenty-one (21) years from December 30, 1929, sell, assign, transfer, pledge or hypothecate any of such Class



B common stock of Seattle Times Company, a Delaware corporation.” [53]

(2) Paragraph Eighth of said agreement of December 30, 1929 is hereby modified and amended to read as follows:

“Eighth: Blethen agrees, immediately after the issuance of Class B common stock to him, to make a last Will and Testament, or some other instrument in writing, which will provide in effect that his Class B common stock be held in trust by his trustees after his death for a period of twenty-one (21) years from December 30, 1929. Such last Will and Testament or other trust instrument shall also provide that Blethen’s Class B common stock shall not be sold by his trustees until the termination of such trust. Such last Will and Testament or other trust instrument shall constitute, nominate and appoint the widow of said Blethen as one of the trustees, Bernard H. Ridder, another of such trustees, and Elmer E. Todd, the third of such trustees. It shall further provide that, in the event of the death, resignation or disability of his widow at any time, the vacancy caused thereby shall not be filled but the surviving trustees shall act. In the event of the death, resignation or disability of Bernard H. Ridder at any time, one of his brothers shall act as trustee in his place and stead, and in the event of the death, resignation or disability of Elmer E. Todd at any time, one of the partners of the law firm now representing Blethen shall act as trustee in his place and stead. Such last Will and Testament or other trust instrument shall also provide



that upon the termination of the trust, Blethen's Class B common stock shall be distributed by the trustees among the surviving sons of said Blethen and the issue of such of them as may be deceased, in equal shares, per stirpes. Such last will and Testament, or other trust instrument, shall further provide that, in case of any difference or differences of opinion between the said trustees as to any question connected with the management of the corporation, the Class B common stock of which is to constitute the corpus of the trust, any trustee may submit such a question for arbitration, upon notice to the other trustees, to the then general manager of The Associated Press, and in any such case the decision of the said then general manager of The Associated Press shall be final and conclusive and be binding upon all of said trustees. Provided, however, that if said Blethen transfers, to a holding corporation to be formed by him, any of his Class B common stock in Seattle Times Company a Delaware corporation (not less, in any event, then fifty-one (51) per cent of such stock at any time issued and outstanding), as permitted by the Fifth paragraph of the agreement of December 30, 1929, as herein modified, his last Will and Testament shall contain suitable provisions that not less than sixty (60) per cent of the voting stock of such holding corporation shall pass to the trustees above named, to be held in trust for the same period and under the same terms and conditions hereinabove provided."

(3) Paragraph Ninth of said agreement of De-

ember 30, 1929, is hereby modified and amended to read as follows:

Ninth: In the event that Blethen should at any time before the expiration of twenty-one (21) years from December 30, 1929, be adjudicated incompetent to manage [54] his affairs or estate, it is desired, and he hereby recommends that any Court which has jurisdiction over the appointment of a guardian, committee or conservator of his estate, appoint as such guardians, committee or conservators, as the case may be, the persons hereinabove specified to be the trustees under such last Will and Testament or other trust instrument to be made by him. Blethen directs and requests any guardians, committee or conservators that may be appointed for his estate that any difference of opinion that may arise between them with respect to the management of the corporation, the Class B common stock of which forms a part of his estate, be submitted for arbitration to the then general manager of The Associated Press and that such guardians, committee or conservators accept the decision of such then general manager of The Associated Press as final and conclusive. Provided, that the above recommendations and directions shall also apply to Blethen's voting stock in a holding corporation provided for and permitted by the provisions of the Fifth and Eighth paragraphs of the agreement of December 30, 1929, as herein modified."

In Witness Whereof, the parties hereto have executed this instrument as of the day and year first above written.

C. B. BLETHEN  
RIDDER BROTHERS  
By VICTOR F. RIDDER [55]

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[Title of District Court and Cause.]

AFFIDAVIT OF F. D. HAMMONS

State of Washington  
County of King—ss.

F. D. Hammons, being first duly sworn, on oath deposes and says:

That he is Secretary of Seattle Times Company, a Delaware corporation, one of the defendants in the above entitled action. That he makes this affidavit in support of the motion of the defendants to dismiss this action because of want of jurisdiction and especially to show that all matters alleged in Paragraph XXI of plaintiff's complaint to be in controversy herein have become moot.

That, since the filing of plaintiff's complaint in this action, the regular annual meeting of the stockholders of said Seattle Times Company for the year 1943 was held in Seattle, Washington on January 19, 1943. That at such meeting all of the Class B common stock of said Seattle Times Company was represented in person or by proxy. That the four hundred ninety five (495) shares of such stock owned by the plaintiff in this [58] action was repre-

sented by Joseph E. Ridder, its President and proxy, and that at such meeting an entire new Board of Directors of the corporation, to serve for the ensuing year, was elected by unanimous vote of all such Class common stock and that, pursuant to such election, such new Directors took office on January 19, 1943.

F. D. HAMMONS

Subscribed and sworn to before me this 28th day of May, 1943.

JANE CARMODY

Notary Public for the State of Washington, residing at Seattle.

[Endorsed]: Copy received May 28, 1943.

JONES & BRONSON,  
Attys. for Pl.

[Endorsed]: Filed May 28, 1943. [59]

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[Title of District Court and Cause.]

### MOTION TO DISMISS

Defendants, Rae Kingsley Blethen, F. D. Hammons and William K. Blethen, as executors of the Estate of Clarence B. Blethen, Deceased, Rae Kingsley Blethen, Francis A. Blethen, William K. Blethen, John Alden Blethen, The Blethen Corporation, a corporation, and Seattle Times Company, a corporation, moves the Court to dismiss this action on the ground that the Court lacks jurisdiction, because the amount actually in controversy is less than \$3,000.00, exclusive of interest and costs;

and said defendants deny the allegation contained in paragraph IV of plaintiff's Complaint, that the matter in controversy in the action exceeds, exclusive of interest and costs, the value of \$3,000.00.

McMICAEN RUPP &

SCHWEPPE

OTTO B. RUPP

J. GORDON GOSE

Attorneys for Defendant, Se-  
attle Times Company

HOLMAN, SPRAGUE &

ALLEN

HULBERT, HELSELL & PAUL

CHARLES H. PAUL

Attorneys for Defendants,  
Rae Kingsley Blethen, F. D.  
Hammons and William K.  
Blethen, as executors of the  
Estate of Clarence B.  
Blethen Deceased, Rae  
Kingsley Blethen, Francis  
A. Blethen, William K.  
Blethen, John Alden Bleth-  
en, and The Blethen Cor-  
poration.

Copy Rec'd 4/26/43 Jones & Bronson. [60]

[Endorsed]: Filed April 26, 1943.

[Title of District Court and Cause.]

STIPULATION RE ALLEGATION OF  
COMPLAINT

It is hereby stipulated by and between the parties hereto that solely for the purposes of consideration and disposition of defendants' motion to dismiss plaintiff's complaint that all allegations of fact contained in said complaint not expressly denied by said motion and particularly the allegations of fact contained in Paragraphs XI and XV of said complaint are admitted to be true.

Dated this 3rd day of June, 1943.

JONES & BRONSON  
OPPENHEIMER, HODGSON,  
BROWN, DONNELLY &  
BAER

MYLES. B. AMEND

Attorneys for Plaintiff  
McMICKEN, RUPP &  
SCHWEPPE

OTTO B. RUPP

J. GORDON GOSE

Attorneys for Defendant, Se-  
attle Times Company.

HULBERT, HELSELL & PAUL  
CHAS. H. PAUL

HOLMAN, SPRAGUE & ALLEN

Attorneys for Defendants,  
Rae Kingsley Blethen, F. D.  
Hammons and William K.  
Blethen, as executors of the  
Estate of Clarence B.



Blethen, D e c e a s e d, Rae  
Kingsley Blethen, Francis  
A. Blethen, William K.  
Blethen, John Alden Bleth-  
en, and The Blethen Cor-  
poration.

[Endorsed]: June 4, 1943. [62]

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[Title of District Court and Cause.]

MOTION RE PRESENTATION OF EVIDENCE

Comes now the plaintiff herein by and through its attorneys of record undersigned and moves the above entitled Court that, in the event the Court is not willing to accept as true the allegations of fact pleaded in the complaint other than the general allegation of value contained in Paragraph IV of the complaint as a basis for consideration and disposition of defendants' motion to dismiss in accordance with the stipulation of the parties, plaintiff be given an opportunity to present evidence in support of its complaint relative to the value of the matter in controversy.

JONES & BRONSON

OPPENHEIMER, HODGSON,  
BROWN, DONNELLY &  
BAER

MYLES B. AMEND

Attorneys for Plaintiff

[Endorsed]: Filed June 4, 1943. [63]

In the District Court of the United States for the  
Western District of Washington, Northern  
Division

No. 613

RIDDER BROTHERS, Incorporated, a corpora-  
tion,

Plaintiff

vs.

RAE KINGSLEY BLETHEN, F. D. HAMMONS  
and WILLIAM K. BLETHEN as executors  
of the Estate of Clarence B. Blethen, Deceased,  
RAE KINGSLEY BLETHEN, FRANCIS A.  
BLETHEN, WILLIAM K. BLETHEN,  
JOHN ALDEN BLETHEN, CLARANCE B.  
BLETHEN, THE BLETHEN CORPORA-  
TION, a corporation, and SEATTLE TIMES  
COMPANY, a corporation,

Defendants.

### JUDGMENT OF DISMISSAL

This matter having come regularly on for hearing before the undersigned, one of the judges of the above entitled court, on defendants' motion to dismiss the action because the amount in controversy is less than \$3000.00 exclusive of interest and costs, and counsel for both plaintiff and defendants having been heard, and the Court being fully advised in the premises and having read and accepted the stipulation of the parties as to the truth of the allegations of plaintiff's complaint for the purposes of the said motion, does now find as follows:

That there is no satisfactory proof of the value of the right to vote the corporate stock involved in the first matter in controversy and referred to in paragraphs 1 and 2 of the prayer of plaintiff's complaint.

That the value to plaintiff of the second matter in controversy, as referred to in paragraph 3 of the prayer of plaintiff's complaint, is nominal and less than \$3000.00 exclusive of interest and costs.

That the loss of detriment to defendants if plaintiff should prevail on the second matter in controversy, as referred to in paragraph 3 of the prayer of plaintiff's complaint, exceeds in value the sum of \$3000.00 exclusive of interest and costs. [64]

That the above entitled proceeding does not involve the requisite jurisdictional amount and that the Court does not have jurisdiction of the action.

Now, Therefore, it is hereby Ordered, Adjudged and Decreed that the above entitled action is dismissed for want of jurisdiction and that defendants recover their costs.

Done in open court this 14th day of June, 1943.

JOHN C. BOWEN

District Judge

Presented by:

STORY BIRDSEYE

Of counsel for Pl.

Approved as to Form:

Attorneys for Plaintiff.

[Endorsed]: Filed June 14, 1943. [65]

[Title of District Court and Cause.]

### NOTICE OF APPEAL

Notice is hereby given that Ridder Brothers, Incorporated, a corporation, plaintiff above named, hereby appeals to the Circuit Court of Appeals for the 9th Circuit from the Final Judgment entered in this action on the 14th day of June, 1943.

Signed:

JONES & BRONSON  
STORY BIRDSEYE  
OPPENHEIMER, HODGSON,  
BROWN, DONNELLY &  
BAER  
MYLES B. AMEND

Attorneys for Appellant, Rid-  
der Brothers, Incorporated,  
a corporation.

[Endorsed]: Filed July 6, 1943. [66]

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[Title of District Court and Cause.]

### BOND FOR COSTS ON APPEAL

Know All Men by These Presents: That we, Ridder Brothers, Incorporated, a corporation, plaintiff and appellant above named, as Principal, and Saint Paul-Mercury Indemnity Company, a corporation organized under the laws of the State of Delaware and duly authorized to transact business in the State of Washington, as Surety, are held and firmly bound unto Rae Kingsley Blethen, F. D.

Hammons and William K. Blethen, as executors of the Estate of Clarence B. Blethen, Deceased, Rae Kingsley Blethen, Francis A. Blethen, William K. Blethen, John Alden Blethen, Clarence B. Blethen, The Blethen Corporation, a corporation, and Seattle Times Company, a corporation, the defendants and appellees above named, in the just and full sum of Two Hundred Fifty (\$250.00) Dollars, lawful money of the United States, for the payment of which well and truly to be made we bind ourselves, our and each of our heirs, executors, administrators, and successors and assigns, jointly and severally, firmly by these presents.

Dated and Sealed this 6th day of July, 1943.

Whereas on the 14th day of June, 1943 the above entitled court rendered and entered a judgment in the above entitled cause in favor of the above named obligees and against the above named principal, and [67]

Whereas the said principal, feeling aggrieved by said judgment and desiring to appeal from the same to the United States Circuit Court of Appeals for the 9th Circuit and perfect said appeal by this bond,

Now, Therefore, the condition of the above obligation is such that if the said principal will pay all costs that may be awarded against it if the appeal is dismissed or the judgment affirmed, or such costs as may be awarded against it if the judgment is modified, not exceeding the sum of Two Hundred Fifty (\$250.00) Dollars, then this obligation

shall be void, otherwise to remain in full force and effect.

RIDDER BROTHERS, INCORPORATED

By JONES & BRONSON  
STORY BRIDAGE  
OPPENHEIMER, HODGSON,  
BROWN, DONNELLY &  
BAER

MYLES B. AMEND

(Its Attorneys)

(Principal)

SAINT PAUL-MERCURY INDEMNITY COMPANY

of Saint Paul,

By D. WILSON  
(Attorney-in-Fact)  
[Seal] (Surety)

Countersigned:

By DOROTHY WILSON  
Resident Agent

[Endorsed]: Filed July 6, 1943. [68]

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[Title of District Court and Cause.]

CERTIFICATE OF CLERK TO TRANSCRIPT  
OF RECORD ON APPEAL

I, Judson W. Shorett, Clerk of the United States District Court for the Western District of Washington, do hereby certify that the foregoing type-



written transcript of record, consisting of pages numbered from 1 to 73 inclusive, is a full, true and complete copy of so much of the record, papers and other proceedings in the above and foregoing entitled cause as is required by the designation of the record on appeal filed and shown herein, as the same remain of record and on file in the office of the Clerk of said District Court at Seattle, and that the same constitute the record on appeal herein from the judgment of said United States District Court for the Western District of Washington to the United States Circuit Court of Appeals for the Ninth Circuit.

I further certify that the following is a true and correct statement of all expenses, costs, fees and charges incurred in my office for making record, certificate of [72] return to the United States Circuit Court of Appeals for the Ninth Circuit, to wit:

Clerk's fees (Act February 11, 1925)	
for making record, certificate of re-	
turn, 172 folios at .05c .....	\$ 8.60
and 10 folios as .15c .....	1.50
Appeal fee, (Sec. 5 of Act) .....	5.00
Certificate of Clerk to Transcript of	
Record .....	.50
	<hr/>
Total .....	\$15.60

I further certify that the foregoing fees have been paid by the Appellant, Ridder Brothers, Incorporated, a corporation.

In Witness Whereof, I have hereunto set my hand and affixed the official seal of said District Court at Seattle, in said District, this 23rd day of July, 1943.

[Seal]

JUDSON W. SHORETT,  
Clerk

By E. M. ROSSER  
Deputy [73]

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[Endorsed]: No. 10504. United States Circuit Court of Appeals for the Ninth Circuit. Ridder Brothers, Incorporated, a Corporation, Appellant, vs. Rae Kingsley Blethen, F. D. Hammons and William K. Blethen, as Executors of the Estate of Clarence B. Blethen, Deceased; Rae Kingsley Blethen; Francis A. Blethen; William K. Blethen; John Alden Blethen; Clarence B. Blethen; The Blethen Corporation, a Corporation; and Seattle Times Company, a Corporation, Appellees. Transcript of Record. Upon Appeal from the District Court of the United States for the Western District of Washington, Northern Division.

Filed July 26, 1943.

PAUL P. O'BRIEN

Clerk of the United States Circuit Court of Appeals for the Ninth Circuit.

United States Circuit Court of Appeals  
For the Ninth Circuit

No. 10504

RIDDER BROTHERS, Incorporated, a corporation,

Appellant,

vs.

RAE KINGSLEY BLETHEN, F. D. HAMMONS  
and WILLIAM K. BLETHEN, as executors  
of the Estate of Clarence B. Blethen, Deceased,  
RAE KINGSLEY BLETHEN, FRANCIS A.  
BLETHEN, WILLIAM K. BLETHEN,  
JOHN ALDEN BLETHEN, CLARANCE B.  
BLETHEN, THE BLETHEN CORPORATION,  
a corporation, and SEATTLE TIMES  
COMPANY, a corporation,

Appellees.

STATEMENT OF POINTS TO BE RELIED  
UPON AND DESIGNATION OF PARTS  
OF RECORD TO BE PRINTED

Comes now Ridder Brothers, Incorporated, a corporation and respectfully advises the Court that it intends to rely, on its Appeal from that certain final judgment in the District Court of the United States for the Western District of Washington, Northern Division made and entered on the 14th day of June, 1943, upon the following points:

1. The Court erred in rendering judgment dismissing the action for want of jurisdiction.

2. The Court erred in deciding that the matters in controversy in the action do not exceed, exclusive of interest and costs, the sum or value of \$3,000.00.

3. The Court, having found that the loss or detriment to defendants if plaintiff should prevail on the second matter in controversy, as referred to in paragraph 3 of the prayer of plaintiff's complaint, exceeds in value the sum of \$3,000, exclusive of interest and costs, erred in dismissing the action for want of the jurisdictional amount, for the test in determining whether or not the jurisdictional amount is involved in a given controversy is whether or not the possible loss or detriment to the defendant, as well as the possible gain to the plaintiff, exceeds \$3,000.00 exclusive of interest and costs. In other words, the value of the matter in controversy, means the pecuniary result to either party which the judgment entered in the cause would directly produce, either at once or in the future.

Appellant hereby designates that the following parts of the record, being necessary for the consideration of the foregoing points, be printed:

1. Complaint
2. Affidavit of F. D. Hammons
3. Motion to Dismiss
4. Stipulation
5. Motion
6. Judgment of Dismissal

7. Notice of Appeal

8. Bond on Appeal

JONES & BRONSON

STORY BIRDSEYE

OPPENHEIMER, HODGSON,

BROWN, DONNELLY &

BAER

MYLES B. AMEND

Attorneys for Appellant, Rid-  
der Brothers, Incorporated,  
a corporation.

Copy received July 26, 1943.

McMICKEN, RUPP &

SCHWEPPE

Attorneys for Seattle Times  
Company

Copy received.

HULBERT, HELSELL & PAUL

HOLMAN SPRAGUE & ALLEN

Attorneys for Rae Kingsley  
Blethen et al.

[Endorsed]: Filed Jul 28 1943. Paul P. O'Brien,  
Clerk.

